

UNNUMBERED LETTERS ISSUED FOR THE MONTH OF DECEMBER 2005

Dated	Subject	Distribution
12/02/05	Interest Rate Changes for Housing Programs and Credit Sales (Nonprogram)	S/D
12/05/05	Duplicate Payments	S/D & N.O. Officials
12/06/05	Managing the Utilization of Community Programs Funding	S/D
	Lender Approval for Participation in the Community Facilities Guaranteed Loan Program	S/D
	Community Facilities Guaranteed Loan Processing Checklists	S/D
12/08/05	Fed Traveler.com System Update	S/D
12/12/05	Single Family Housing Direct Loans with Leveraging	S/D
	Privately Owned Vehicle Mileage Reimbursement	S/D & N.O.O.
12/13/05	Single Family Housing Guaranteed Loan Program Future Recovery Tracking Review of Estimated Net Recovery Claims	S/D
12/14/05	Faith-Based and Community Initiatives FY 2005 Final OMB Reports	S/D
	Inaccurate Orders for Credit Reports Single Family Housing Direct	S/D
	Community Facilities Guaranteed Loan Program Guidance on the Estimated Loss Claim in Liquidation Cases	S/D
	Interest Rate Changes for Housing Programs and Credit Sales (Nonprogram)	S/D, RDM & A/D
12/15/05	Freedom to E-File Implementation	N.O. Officials

Dated	Subject	Distribution
12/15/05	Section 502 Direct Loans with a Housing Choice Voucher Homeownership Program	S/D
	Interest Rates for Community Facilities	S/D
	Interest Rates for Water and Waste Disposal Loans, Watershed Protection and Flood Prevention Loans, and Resources Conservation and Development Loans	S/D
12/16/05	Jerome Davin, Director, Human Resources Training Branch	S/D & N.O. Officials
12/18/05	Intermediary Relending Program Unemployment Rate	S/D
12/20/05	Employment of Veterans	S/D & N.O. Officials
	Interest Rate for Direct Business and Industry Loans	S/D
12/22/05	Reviewing Affirmative Fair Housing Marketing Plans	S/D
12/28/05	Personal Telephone Calls During Official Travel	RD Employees
12/29/05	New Years	RD Employees

December 2, 2005

SUBJECT: Interest Rate Changes for Housing Programs
and Credit Sales (Nonprogram)

TO: Rural Development State Directors,
Rural Development Managers,
and Area Directors

ATTN: Rural Housing Program Director

There has been a change to the original interest rate notification sent November 18, 2005. The following interest rates, effective December 1, 2005, are changed as follows:

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
ALL LOAN TYPES		
Treasury Judgement Rate	3.970%	4.260%

The current rate shown above is as of the week ending October 28, 2005. The actual judgement rate that will be used will be the rate for the calendar week preceding the date the defendant becomes liable for interest. This rate may be found by going to the Federal Reserve web site for the weekly average 1-year Constant Maturity Treasury yield (www.federalreserve.gov/releases/h15/data/wf/tcm1y.txt).

After further consideration, it has been determined that the interest rate for the Rural Housing loans will not be changed as originally announced. The rates, effective December 1, 2005 are as follows:

RURAL HOUSING LOANS

Rural Housing (RH) 502		
Low or Moderate	5.375	5.375

EXPIRATION DATE:
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FILING INSTRUCTIONS:
Administrative/Other Programs

Single Family Housing (SFH) Nonprogram	5.875	5.875
Rural Housing Site (RH-524), Non-Self-Help	5.375	5.375
Rural Rental Housing and Rural Cooperative Housing	5.375	5.375

Please notify appropriate personnel of these rates.

(Signed by Russell T. Davis)

RUSSELL T. DAVIS
Administrator
Housing & Community Facilities Programs

Sent by Electronic Mail on 12/02/05 at 9:55 a.m. by PAD.

December 5, 2005

SUBJECT: Duplicate Payments

TO: Rural Development State Directors
National Office Officials

ATTN: Administrative Program Directors
Agency/Organization Program Coordinators

The Office of the Chief Financial Officer (OCFO) has provided the Rural Development Travel Unit guidance for employees who have received duplicate travel expense payments. The Government must be reimbursed for one of these payments. The following scenarios should apply and explain what needs to be done:

Scenario 1: An employee who receives a duplicate U.S. Department of Treasury check should mark one check "VOID" and return it to:

U.S. Department of Treasury
Financial Management Service
Regional Financial Center
P.O. Box 34668-1068
Kansas City, Missouri 64118-1068

Scenario 2: An employee who receives a duplicate electronic funds transfer, **should not take any action**. They will be notified and billed automatically via the Administrative Billings and Collection System (ABCO).

Scenario 3: An employee receives two (2) U.S. Department Treasury checks and cashes or deposits both checks into their personal account, **should take no action**. They will be notified and billed automatically via the ABCO as identified above.

EXPIRATION DATE:
December 31, 2006

FILING INSTRUCTIONS:
Administrative/Other Programs

Additionally, there is some confusion about refunds of the FedTraveler.com transaction fees being credited to the Government travel charge card by the Electronic Data System (EDS) for travel between the dates of 05/22/05 through 06/14/05. If your account is being credited for a transaction fee, EDS will send a message to your e-mail address advising you of the credit amount that was processed to your account.

Please note that if you disputed the transaction fee charges directly with Bank of America, you will still receive this credit. Based on information provided by Bank of America, any provisional credits for the disputed charges will be removed from your account. If you have already processed a travel voucher for this transaction fee, you must reimburse the Government via a personal check, made payable to "USDA Rural Development." Your payment check and a completed transmittal form (see attached) will need to be sent to:

U.S. Department of Agriculture
National Finance Center
Administrative Collections
P.O. Box 790342
St. Louis, Missouri 63179-0342

Instructions for completing the transmittal form are attached.

If you have questions, you may contact Veronica Carroll, Travel Unit, at (202) 692-0229 or Irene Wofford, Travel Unit, at (202) 692-0030 or Anthony Pearson, Travel Unit, at (202) 692-0227 or send an e-mail to veronica.carroll@wdc.usda.gov, irene.wofford@wdc.usda.gov or anthony.pearson@wdc.usda.gov.

(Signed by Sherie Hinton Henry)

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

Attachments

Sent by electronic mail on **12/06/05** at **10:15 a.m.** by SSD.
State Directors and National Office Officials should advise other personnel as appropriate.

INSTRUCTIONS FOR THE TRANSMITTAL OF CHECKS

Following are instructions for each of the fields to complete on the form:

1. **DATE TRANSMITTED** – Enter the date when checks are sent to the lockbox.
2. **AGENCY CODE** - Enter your agency code.
3. **FROM** – Enter your office contact information, such as address and phone number.
4. **NO. OF CHECKS TRANSMITTED** – Enter the number of checks included with the transmittal.

Complete the following information for each check. List checks separately, even if you receive multiple checks from the same vendor.

5. **VENDOR CODE** –

For refund checks enter the original vendor code. The original vendor code is the vendor to whom RD made a payment, which is now refunding money to RD. Use MISCRDN if the original vendor code is unknown and the vendor on the check is non-governmental. Use MISCRDG if the original vendor code is unknown and the vendor is governmental.

For jury duty checks, use MISCRDE.

For FOIA checks, use MISCRDN.

For all others, enter the vendor code for the vendor on the check.

6. **VENDOR NAME** – Enter the vendor name as it appears on the check.
7. **CHECK NUMBER** – Write the check number, if available, on the check.
8. **CHECK DATE** – Enter the check date, if available, on the check.
9. **PROGRAM CODE** –

For refund checks, enter the original nine-digit program code used to pay the expense.

For jury duty and FOIA requests use XJH100000 (with X the current fiscal year).

For shared office and other reimbursable agreements, use a C program code, per the FFIS User Documentation.

10. **BUDGET OBJECT CLASS (BOC)** –

For checks received for shared office and other reimbursable agreements, using a C program code, use 0250.

For checks for jury duty and FOIA, use 0250.

For all other checks use the original BOC used to pay the expense.

11. **AMOUNT** – Enter the amount on the check.

Mail the form and check(s) to the address that appears at the top of the form. Submit questions regarding the use of this form to fcb@stl.rural.usda.gov.

ADMINISTRATIVE COLLECTIONS

Send all checks received for administrative collections, such as refunds, jury duty, Freedom of Information Act (FOIA), etc. to the USDA lockbox (address below).

U.S. Department of Agriculture
National Finance Center
Administrative Collections
P.O. Box 790342
St. Louis, MO 63179-0342

Send a completed transmittal form, located on the next tab, with the check(s). The instructions for completion of the transmittal form are located on the tab following the form.

Use of the lockbox and this transmittal form will ensure that all collections are correctly recorded and classified.

Send any returned Treasury checks back to Treasury (address below)

Department of the Treasury
Financial Management Service
Regional Financial Center
PO Box 34668-1068
Kansas City, MO 64116-1068

A transmittal form does not have to accompany the check(s) sent to Treasury. A memo to say that the check was returned/not needed, etc. is sufficient. The payment voucher used to request the check is reversed in FFIS and PVHT will show zero. See revised guidance - Researching Payments, RETURNED PAYMENTS section, Example 2.

U.S. Department of Agriculture

Date Transmitted: _____

Agency Code: 07

TO:
U.S. Department of Agriculture
National Finance Center
Administrative Collections
P.O. Box 790342
St. Louis, MO 63179-0342

FROM:
USDA Rural Development

SUBJECT: Transmittal of Checks

No. of Checks Transmitted: _____

[illegible]

If any questions, contact the RD Office listed above.

EXAMPLE DOCUMENT

Agency Code: 07

FROM:
USDA Rural Development
ATTN: Deborah Collins
P.O. Box 200011
St. Louis, MO 63120
314-457-4122

No. of Checks Transmitted: 3

Vendor Code	Vendor Name	Check Number	Check Date	Program Code	BOC	Amount
860475255 A	DESCALE IT PROD CO	25897	04/23/04	310282000	2680	523.52
522094724 A	S&H CONSULTING LLC	3261	05/03/04	413690200	2500	1,263.50
&07CE4006O R	USDA, FSA	2648178	04/30/04	4C0980000	0250	2,618.25
					Total	4,405.27

If any questions, contact the RD Office listed above.

December 6, 2005

TO: State Directors
Rural Development

ATTN: Community Program Directors

FROM: Russell T. Davis (Signed by Russell T. Davis)
Administrator
Rural Housing Service

SUBJECT: Managing the Utilization of Community Programs Funding

As part of our ongoing operations, we continue to monitor the implementation of Community Programs authorities and the balanced utilization of all available program funding throughout the nation. For fiscal year (FY) 2005, we reached new highs in the levels of funding utilized nationally to assist rural communities in developing new or improved facilities providing a broad range of essential services. These facilities are contributing directly to the improved quality of life for the residents of these communities. Over the course of the year; however, we have noted several areas of program operations that need improvement in order to continue to build on the successes already achieved.

Outreach and Marketing Activities

Each State Office should include outreach to a variety of groups and lenders as an important component of its annual marketing plan. Those State Offices which meet with lender groups regularly, typically maintain active ongoing discussions with the lenders regarding the many commercial financing mechanisms available and the underwriting requirements for community development projects. This knowledge facilitates the determination of the availability of other credit for new loan applicants, as well as assisting in servicing actions, particularly the graduation program. In addition, regular professional contacts with lenders are essential in the development of an ongoing, viable guaranteed loan program.

EXPIRATION DATE:
November 31, 2006

FILING INSTRUCTIONS:
Community Business Programs

The annual marketing plan should also include outreach to public interest groups, trade associations, other Federal and State agencies, planning organizations, and local governments. This outreach can take many forms, such as, attending annual conferences, providing articles for organizations' newsletters, making presentations at meetings, submitting news releases to local media, or participating in panels or roundtables with other funding agencies. Area Office staff or other appropriate field staff should make it a priority to visit with local government elected officials and management staff as they travel. A planned contact with program information brochures and a business card may well result in an application some time later. We cannot succeed in serving rural communities and rural residents if they do not know who we are and what we can offer.

Documentation of the Unavailability of Other Credit

RD Instructions require that the applicant for Community Facilities (CF) direct loans and grants must certify in writing that it is unable to finance the proposed project with its own resources or through commercial credit obtained at reasonable rates and terms. Agency staff must include its own documentation to the project file that such credit is unavailable. The State Program Director should routinely address this important eligibility consideration in the comments and recommendations section of the Project Summary. The Agency's determination can be made in several ways. A review and documentation by the Agency Processing Office of the applicant's historical and forecasted financial statements combined with its history of obtaining commercial financing could indicate whether such financing may be available. Responses from lenders that have the capacity to provide the type of financing requested, and which document that the lender has analyzed the applicant's financial situation, and has determined, for pertinent underwriting reasons, that such financing cannot be provided, may be considered.

Each year, Program Directors are required to conduct graduation reviews of certain borrowers to determine if graduation is feasible. In order to properly document these determinations, staff members are required to conduct lender surveys and develop relationships with a variety of types of lenders in order to have an understanding of local lending requirements and conditions. With this clear understanding of the lending climate in the State, the Approving Office could make the required credit determination. Appropriate documentation would consist of the analysis of the applicant's financial situation and capacity, coupled with a description of the current lending requirements.

Maximizing Utilization of Community Programs Funding

Utilization of CF guaranteed loan funds has improved considerably during the past two fiscal years. However, there is still room for considerable growth and improvement in the program. Developments over the past year including the rollout of the Critical Access Hospital initiative, which is intended to meet the major capital needs of these facilities in an orderly manner, have generated new opportunities and increasing

demands for funding. In reviewing funds utilization for FY 2005, there were 20 States and territories that had no guaranteed loan activity for the year. A number of States with larger rural populations and program funding allocations had either limited or no activity. This situation is a matter of concern for several reasons. We are charged with the effective, efficient use of the taxpayers' funds appropriated to us to improve the lives of rural Americans. An important part of this charge is increasing the capacity of rural governments and nonprofit organizations to access commercial credit on equal footing with more urban, sophisticated communities. The CF guaranteed loan program is an essential tool for assisting rural communities in bridging this gap. As a community works with Rural Development and a lender to develop a project from concept to full operation and through successful loan repayment, it is building capacity and creating a track record which will allow it to undertake additional development without Federal government support.

During initial contacts, prospective applicants are to be advised that the form of financial assistance will be determined based upon a full review and analysis of the applicant's financial capacity. If the cash flow analysis and other financial information indicate that guaranteed loan financing is feasible, concerted efforts must be made to help the applicant arrange this form of funding. These efforts may include helping an applicant identify potential lenders and providing advice relative to developing the application. In those cases where guaranteed loan funding alone is not feasible, it is not unusual for a combination of guaranteed and direct loan funding to be used to assist an applicant in meeting its financing needs. The Community Programs National Office Staff will be contacting States that have underutilized the CF Guaranteed Loan Program in order to initiate a series of lender meetings within the States. The National Office Staff will participate in these meetings by assisting in presentations on the benefits of the program to the lending community.

The National Office Community Programs staff is available to assist State Directors and Program Directors in any way needed. Please do not hesitate to contact us with questions, training requests, or requests for participation in marketing and outreach activities.

December 6, 2005

TO: State Directors
Rural Development

ATTN: Community Programs Staff

FROM: Russell T. Davis *(Signed by Russell T. Davis)*
Administrator
Rural Housing Service

SUBJECT: Lender Approval for Participation in the
Community Facilities Guaranteed Loan Program

The purpose of this unnumbered letter and attachment is to provide guidance to State Offices when requesting lender approval for participation in the Community Facility Guaranteed Loan Program.

In accordance with the administrative language contained in RD Instruction 3575-A, section 3575.27(a)(6), nonconventional lenders must be approved by the National Office.

The attached checklist is to be used as a guide when requests for lender approval are submitted to the National Office.

Please review the attachment with your staff and emphasize the need to use this checklist as a guide when requesting lender approval in order to help expedite the review process.

If you have any questions, please contact Shirley J. Stevenson, Loan Specialist at (202) 205-9685.

Attachment

EXPIRATION DATE:
December 31, 2006

FILING INSTRUCTION:
Community/Business Programs

**COMMUNITY FACILITIES GUARANTEED LOAN PROGRAM
NONCONVENTIONAL LENDER APPROVAL CHECKLIST**

1. Lender's name, address and telephone number.
2. State where the Lender is incorporated. (if applicable)
3. Lender's Tax Identification Number.
4. Lender's proposed geographical area of operations.
5. The name of an official who will serve as a contact for Rural Development regarding the Lender's Community Facilities Guaranteed loans.
6. A list of names, titles and responsibilities of the Lender's principal officers.
7. Evidence of Lender's regulatory oversight. (Lender must be subject to credit examination and supervision by either an appropriate agency of the United States or a State that supervises and regulates credit institutions.)
8. A sample of Lender's internal loan criteria for issues of credit history and repayment ability and a copy of the Lender's quality control plan for monitoring loan production and servicing activities.
9. An executed Form AD 1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions."
10. Copy of Lender's organizational documents.
11. Copy of Lender's most recent financial statement, preferably audited.
12. Information regarding Lender's experience in making and servicing Community Development type loans, to include a representative sample of such recent financing.

December 6, 2005

TO: State Directors
Rural Development

ATTN: Community Programs Staff

FROM: Russell T. Davis (Signed by Russell T. Davis)
Administrator
Rural Housing Service

SUBJECT: Community Facilities Guaranteed Loan Processing Checklists

The purpose of this unnumbered letter and attachments is to provide guidance to State Offices on preparing well-documented loan dockets.

In the interest of assisting State Office staff in the development of well-documented loan guarantee applications, we have developed processing checklists as shown as attachments 1, 2 and 3 of this letter.

The attached checklists may be modified as needed to include requirements specific to your state. State Program Directors are encouraged to prepare State Office checklists based on your state's requirements utilizing the attached as guidance.

If you have any questions about this memo, please contact Shirley J. Stevenson, Loan Specialist at (202) 205-9685.

Attachments

EXPIRATION DATE:
December 31, 2006

FILING INSTRUCTIONS:
Community/Business Programs

**COMMUNITY FACILITIES GUARANTEED LOAN PROGRAM
PREAPPLICATION PROCESSING CHECKLIST**

1. Application for Federal Assistance (SF 424)
2. State Intergovernmental Clearinghouse Comments
3. List of Board of Directors/Officers
4. Supporting documentation necessary to make an eligibility determination such as financial statements, audits, copies of organizational documents, existing debt instruments, etc.
5. Any Evidence of Community Support
6. Lender Eligibility
7. Availability of Conventional Financing without a Guarantee

COMMUNITY FACILITIES GUARANTEED LOAN PROGRAM APPLICATION PROCESSING CHECKLIST

1. Application for Loan and Guarantee (Form RD 3575-1)
2. Financial feasibility analysis/ report
3. Preliminary architectural or engineering report
4. Cost estimates
5. Intergovernmental review and state clearinghouse comments or recommendations
6. Request for Environmental Information (Form RD 1940-20)
7. Standard Flood Hazard Determination - (FEMA Form 81-93)
8. Regulatory Certifications (Certificate of Need, etc.)
9. Lender's financial analysis
10. Lender Eligibility
11. Availability of Conventional Financing without a Guarantee
12. Project Summary (from Guaranteed Loan System (GLS))
13. Fund Analysis (from GLS)
14. List of Board of Directors/Officers
15. Supporting documentation necessary to make an eligibility determination such as financial statements, audits, copies of organizational documents, existing debt instruments, etc.
16. Any Evidence of Community Support
17. Affirmative Fair Housing Marketing Plan (if applicable)\
18. Civil Rights Impact Analysis Certification (Form RD 2006-38)

19. Credit report
20. Appraisal reports
21. Site information (maps, pictures, etc.)
22. Lender's commitment to Borrower
23. Environmental Assessment for Class I Action (Form RD 1940-21) or Environmental Checklist for Category Exclusions (Form RD 1940-22)
24. Findings of No Significant Impact (FONSI)
25. Clean Air/Water Pollution Compliance
26. Building Permits
27. Lender Certification
28. Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transaction (AD-1047)
29. Other documents used by Lender that are material to making a credit decision

Attachment 3

COMMUNITY FACILITIES GUARANTEED LOAN PROGRAM NATIONAL OFFICE APPROVAL CONCURRENCE CHECKLIST

- (a) Transmittal memorandum including:
 - (1) Recommendation
 - (2) Date of expected obligation
 - (3) Security available for the loan
 - (4) Any unusual circumstances
- (b) Complete Preapplication package (based on State's processing checklist), if applicable
- (c) Complete Application package (based on State's processing checklist)
- (d) Current and previous year's financial and income statements
- (e) Operating budget for current operating cycle
- (f) Project summary
- (g) Proposed loan agreement
- (h) Draft Conditional Commitment for Guarantee
- (i) Environmental Analysis file
- (j) Financial Feasibility Report
- (k) Preliminary Architectural/Technical Report
- (l) Copies of any other document that significantly impacts the proposed loan such as leases, third party management agreements, etc.

December 8, 2005

SUBJECT: FedTraveler.com System Update

TO: All Rural Development Employees

The Rural Development Travel Unit has been notified that FedTraveler.com will be performing system maintenance beginning on Friday, December 9, 2005, at 10:00 p.m., Eastern Standard Time. The system is expected to be returned for use by Monday, December 12, 2005.

If you have any questions, please contact one of the Travel Unit staff: Veronica Carroll, (202) 692-0229, Irene Wofford, (202) 692-0030 or Tony Pearson, (202) 692-0227. You may also e-mail the Travel Unit mailbox at: ssd.travel@wdc.usda.gov.

(Signed by SHERIE HINTON HENRY)

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

EXPIRATION DATE:
December 31, 2006

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent via electronic mail on **12/09/05** at **8:40 a.m.** by SSD.

December 12, 2005

TO: All State Directors
Rural Development

ATTENTION: Single Family Housing Program Directors

FROM: Russell T. Davis *(Signed by Russell T. Davis)*
Administrator
Rural Housing Service

SUBJECT: Single Family Housing Direct Loans with Leveraging

The purpose of this unnumbered letter is to reissue the Agency's policy contained in the unnumbered letters dated September 24, 2005, and November 9, 2005, regarding the use of leveraged loans with direct homeownership loans. These unnumbered letters provided advance notice and clarification for leveraged loan policy. In the interim, the 3550 Handbooks are being revised to incorporate the guidance set forth in this memorandum.

The leveraged loan program is an important vehicle through which Agency resources can be stretched to serve an increased number of customers per fiscal year with a set amount of appropriated dollars. The primary objective of the leveraged loan program is to maximize Agency resources to serve the greatest number of customers possible. Leveraging reduces the amount the Agency must provide to help a customer obtain adequate housing. However, data recently gathered by the National Office through management control reviews and the recent payment assistance study indicate that beginning in Fiscal Year 2005 (October 1, 2004), the leverage loan program must be improved to ensure the cost effectiveness of the program to the Agency, customer, and taxpayer.

Based on our review, experience the Agency has gained, and feedback from various sources, pending further changes, it is time to refine our guidance to the field.

EXPIRATION DATE:
December 30, 2006

FILING INSTRUCTIONS:
Housing Programs

Requirement of 20 percent leveraging

In the past, we have allowed flexibility regarding the 20 percent leveraging requirement, however, beginning in FY 2005 (October 1, 2004) the 20 percent leveraging requirement will be strictly enforced in order for applicants to otherwise qualify for the equivalent interest rate (EIR). Given the cost of the payment assistance component of the Direct Loan program, it is generally not in the best interest of the Government to make exceptions to leveraged loans that are less than 20 percent of the total loan transaction. The same leveraging ratio applies to a loan if the loan is an assumption.

Exceptions to the 20 percent requirement will only be made if the leverage consists entirely of grants and forgivable loans that are collectively 15 percent or more of the total transaction. A combination of both amortized loans and forgivable loans or grants will not be considered for meeting the 20 percent leverage loan requirement. In addition, private sector lender's costs are similar regardless of the amount of the loan; therefore, it is not advisable to leverage small market rate loan amounts just for the sake of leveraging. The potential increased costs incurred by the customer for small loans from lenders must be taken into consideration.

If there is not a minimum of 20 percent leveraging or 15 percent, if entirely grants or forgivable loans, Rural Development can still participate in the package, and will still receive 4th priority for selection in application processing, however, the automatic EIR will not be given. The EIR is available to the borrower if they are otherwise eligible for it but, they would have to be evaluated for eligibility and it would not be automatic.

However, since the UniFi system has not yet been modified, when market rate financing is entered on the Leveraged Loan / Maximum Loan Amount Worksheet regardless of the percentage, the question that asks, "Will Other Lenders Participate In This Loan," under the determinations is automatically marked "yes" and the Section 502 worksheet automatically lists the interest rate at the EIR. The system does not currently allow users to override these automatic processes. Until the system is modified, please refer to the Pre-Qualification section of the DLOS Training Manual for instructions. (The DLOS Training Manual is available in every local Rural Development office.)

This is not intended to discourage participation in the form of affordable housing products. However, in order to qualify for the equivalent interest rate, the 20 percent minimum is essential.

Interest Rates

Another factor is the interest rate on the leveraged loan. Rural Development will not participate when the leveraged loan interest rate is more than 2 percent or 200 basis points above the Agency note rate. We considered basing the maximum rate on the Guaranteed Rural Housing

program; however, the leveraged and guaranteed programs are separate products, intended to serve different purposes. The differences between the programs merit a different standard.

Leveraged loan packages shall not include “points” for the purpose of reducing the lender’s note rate. If the customer has funds available to pay points for interest rate reduction, these funds shall be used to reduce the amount borrowed.

Loan Fees

Loan approval officials must consider the total cost to the customer for participating in a leveraged loan package.

Each case must be considered on its own merits. Loan fees must be kept as low as possible; however, in no case should the total fees paid to the lender exceed 3.5 per cent or 350 basis points of the lender’s loan. This limitation applies whether the buyer or the seller of the property pays the fees and is intended to serve as a maximum limit, not a baseline.

There is one exception to the maximum percentage in that an additional nominal amount is permitted when the lender does the majority or all of the loan packaging including preparation of the Rural Development portion of the loan. To be considered a nominal amount, the amount will be an insignificantly small amount. If a lender’s fee goes up to 3.5 per cent of their loan amount, the fee paid for packaging should be an insignificant additional amount. Since the lender is already responsible for underwriting their own loan, packaging the Rural Development loan would not consist of much more work. The packaging fee allowed for a lender, who is already responsible for loan processing, should not be confused with the packaging fee allowed for a non-profit organization that is solely doing loan packaging.

The State Director will have authority to make decisions on what is considered a nominal amount.

Leveraging fees will be based ONLY on the portion of the loan provided by the lender. The Rural Development loan will not be considered in the lender’s fees. In addition, lender fees should be commensurate with the amount of work required of the lender. The fees for a loan packaged entirely by the lender may be different than fees for a loan packaged by Rural Development.

The Agency loan approval official must review each leveraged loan application including the lender’s “Good Faith Estimate” to determine whether the proposed fees or use of loan funds includes payment of fees that appear questionable or too high. The loan approval official will not approve a transaction where the fees appear questionable or excessive.

Closing Costs

We encourage field offices to work closely with leveraged lenders to find ways to minimize loan-closing costs. One way this can be accomplished is to encourage the use of one Title Insurance Policy that covers the participating lender and Rural Development. State Directors should check with their Regional Attorney to assure this is an acceptable practice in the State and to obtain special instructions to assure that the government's interests are protected.

Some mortgage lenders offer brokers a referral fee if the broker gets the customer to accept a higher interest rate. These fees must be disclosed in accordance with the Real Estate Settlement Procedures Act (RESPA). At closing, these fees are generally listed on the "Settlement Statement" as "yield spread premiums," "yield differentials," "rate participation fees," or "par-plus pricing." Leveraged loan packages that involve this type of fee are not acceptable. Rural Development will not participate in leveraged loans that involve mortgage insurance such as "Private Mortgage Insurance" (PMI), "Mortgage Insurance Premiums" (MIP) or similar products.

Mortgage payment insurance such as job loss or disability insurance or similar packages can be accepted when the borrower opts to purchase the insurance with their own funds. Such insurance may not be required by the lender and cannot be paid for with loan funds.

Settlement Statements

The Agency prefers that there be one "Settlement Statement" with all of the details of the real estate transaction including our loan and any leveraged financing. Some lenders require separate statements. In any case, the Agency will obtain copies of all settlement statements for the transaction. The loan approval official must review settlement statements in an effort to ensure that leverage program customers will be charged fees that are consistent with the proposed fees agreed upon prior to closing. The Agency review will include all fees including those that were not part of the leverage loan amount or fees paid by the seller of the property.

Some lenders offer additional products in conjunction with loan closing such as mortgage payment insurance. In general, the Agency will not approve a loan with such supplemental coverage unless the customer makes a written request for such services.

Memorandum of Understanding (MOU)

HB-1-3550 encourages the development of MOUs with active lenders covering basic policies and procedures. Attachment 10-B of the HB provides a list of topics that should be considered in developing a MOU. In many instances, we see situations developing that could have been avoided if an MOU had been negotiated up front. State Directors are strongly encouraged to require all partners to enter into a MOU.

The primary reason to enter an MOU is because it clarifies, in writing, the parties' positions regarding the leveraged transactions and minimizes confusion. The purpose is not to create a legally enforceable document. Entering into an MOU is generally beneficial even if the leveraged lending activity is intermittent as it establishes a record of how staff should proceed with a particular lender especially in cases where there have been staff changes since the last transaction.

Monitoring Activity

Chapter 10, section 1, paragraph 10.4 C of HB-1-3550 states that information from MortgageServ be used to generate information about the performance of leveraged loans to inform lenders, and to adjust processing procedures. As the leveraging program grows, our ability to monitor leveraging activity gains increasing importance. In reviewing leveraged loan data in the system, we find significant inconsistencies in the way information is entered. For example, the name of our leveraging partner is not entered consistently. First National Bank may show up as 1st National Bank, FNB, or any number of variations. There is a leveraged lender ID field in UniFi that is not always filled in. We believe the solution to inconsistent partner identification is to enter the Tax ID number, similar to what is done in the Guaranteed Loan program. Loan processing officials should always obtain the partner's Tax ID number and enter it into the correct field. This applies to non-profit entities as well as commercial lenders.

Recording the Prior Lienholder Agreement

The Prior Lienholder Agreement is a requirement when the Agency is the junior lienholder. We have observed a number of instances where the lender initiates foreclosure proceedings without prior notice to the Agency. Despite entering into a "Memorandum of Understanding" and/or signing Form RD 1927-8, "Agreement with Prior Lienholder", lenders are not notifying the Agency as agreed prior to declaring the security instrument to be in default and accelerating their loan. To address this concern, the prior lienholder agreement must be recorded at the same time the Agency's mortgage or deed of trust is recorded.

The Prior Lien holder Agreement was updated in FY 2005 and is available under the Forms section of the Agency website. The respective State Director's office address should be used in the agreement for receipt of notice as well as the Chief of the Collection Services Branch, Centralized Servicing Center.

Implementation

State Directors will review the guidance in this unnumbered letter and issue guidance to their field offices and leveraged lenders. State Directors will have flexibility in implementation based on lending practices in their State, however higher interest rates, higher fees or lower leverage amounts require prior National Office concurrence.

State Directors will conduct periodic reviews of their leveraging program to assure interest rates charged and fees collected are reasonable. State and local offices will work closely with lenders to assure a clear understanding of these policies. State and field offices are requested to track leveraged and participation loan activity for reporting purposes and to share information on rates and fees with customers seeking leveraged financing. We will be working on a revision to Chapter 10 of HB-1-3550. However, we believe it is important to reissue this information now in this format. State Office staff with questions on this guidance may contact Janet L. Carter of the Single Family Housing Division at (202) 720-1489 or Mike Feinberg at (202) 720-3214.

December 12, 2005

SUBJECT: Privately Owned Vehicle Mileage Reimbursement

TO: Rural Development State Directors
National Office Officials

ATTN: Administrative Program Directors

Recently, the National Office Travel Unit has received several questions regarding privately owned vehicle (POV) mileage reimbursement with regard to local travel and temporary duty (TDY) travel.

RD Instruction 2036-A, "Travel Regulations and Policies," section 2036.10 (c) (1), regarding TDY travel mileage payments states:

Mileage rates include all costs incurred in the operation of a POV; i.e., insurance, gasoline, charges for repairs, towage, mechanical breakdowns, and depreciation of the POV. The traveler may be reimbursed for expenses such as parking fees, ferry fees, and bridge, road, and tunnel tolls.

- (i) Mileage will be paid for official travel to a TDY point that begins and ends at the employee's regular official duty station. No mileage will be paid if it is more cost advantageous to take public transportation in metropolitan areas that have subway, bus, or other local transit available.

Example: John Jones' official duty station is Richmond, Virginia, but he is going TDY to Leesburg, Virginia. Mr. Jones will leave from and return to his Richmond, Virginia office using his POV. No public transportation is available. Mr. Jones would be eligible for mileage under these circumstances.

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Mileage will be paid for official travel to a TDY point that begins and ends at the employee's residence. No mileage will be paid if it is more cost advantageous to take public transportation in metropolitan areas that have subway, bus, or other local transit available.

Example: Mary Oliver resides in St. Louis, Missouri, and she is going TDY to Champaign, Illinois. Ms. Oliver will leave from her residence and travel directly to Champaign, Illinois and return using her POV. No public transportation is available. Ms. Oliver would be eligible for mileage under these circumstances.

- (ii) Mileage will be paid for the distance in excess of the normal commuting distance between the employee's residence and official duty station when TDY is performed en route from the residence to the official duty station or vice versa.

Example: Mike Butler works in Washington, DC and lives in Fairfax, Virginia. Mr. Butler will be traveling to Beltsville, Maryland on TDY. Since Mr. Butler will have to drive farther than his normal commute to arrive at his TDY destination he is entitled to claim the mileage in excess of his normal daily commute. Mr. Butler would be entitled to claim the mileage between Washington, DC and Beltsville, Maryland and return.

- (iii) No mileage shall be paid between employee's residence and official duty station except for the day of departure and the day of return from travel that includes at least 1 night away from the official duty station.

Example: Betty Smith is traveling from Washington, DC to Ottumwa, Iowa, and she will spend one night in Iowa and then return. Ms. Smith is entitled to mileage expenses because she is spending at least 1 night from her official duty station. Ms. Smith would be entitled to claim the mileage from her residence to the airport and return.

Furthermore, employees should refer to RD Instruction 2036-A, section 2036.10 (c) (2), regarding local travel expenses states:

Reimbursement of local travel expenses will be paid to employees who travel between their residence and alternate duty point(s) in close proximity to the employee's permanent duty station; i.e., USDA Service Centers, hubs, or satellite offices, when the following conditions occur:

The normal round trip POV commuting mileage is deducted; or

- (i) The daily round trip public transportation cost is deducted; or
- (ii) The employee pays on a weekly or monthly basis to travel in a carpool or vanpool to the official duty station; or
- (iii) The employee may claim all mileage and parking expenses in excess of the employee's normal daily commuting costs when the employee's supervisor determines and authorizes in advance and in writing that using a POV is cost effective to the Agency.

In addition to considering the regulations stated above, the difference between TDY and local travel is determined by the length of a single workday. Consult RD Instruction 2036-A, section 2036.11 (a) and (b) regarding per diem expenses associated with travel of less than 12 hours and the general rules on per diem within the vicinity of the official duty station.

To determine the current POV mileage reimbursement rate, visit the General Services Administration's website at <http://www.gsa.gov>.

If you have any questions, please contact one of the Travel Unit staff; Irene Wofford at (202) 692-0030, Veronica Carroll at (202) 692-0030 or Tony Pearson at (202) 692-0227. You may also e-mail the Travel Unit at ssd.travel@wdc.usda.gov.

(Signed by Sherie Hinton Henry)

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

Sent by electronic mail on 12/15/2005 at 10:00 AM by SSD.
State Directors and National Office Officials should advise other personnel as appropriate.

December 13, 2005

TO: State Directors
Rural Development

ATTN: Rural Housing Program Directors

FROM: Russell T. Davis
Administrator
Rural Housing Service

SUBJECT: Single Family Housing Guaranteed Loan Program
Future Recovery Tracking
Review of Estimated Net Recovery Claims

The purpose of this memorandum is to update the Guaranteed Loan System (GLS) concerning future recoveries. State Offices will be asked to enter actual sales information on a spreadsheet whenever an estimated net recovery (ENR) occurred while paying a loss claim. The National Office and the Centralized Servicing Center (CSC) will update GLS, which cannot be accessed from the Field, for those cases whereby lenders have now been centralized with CSC. All remaining cases will require update from the Field. The spreadsheet will be distributed in electronic format by email shortly after this memorandum is signed.

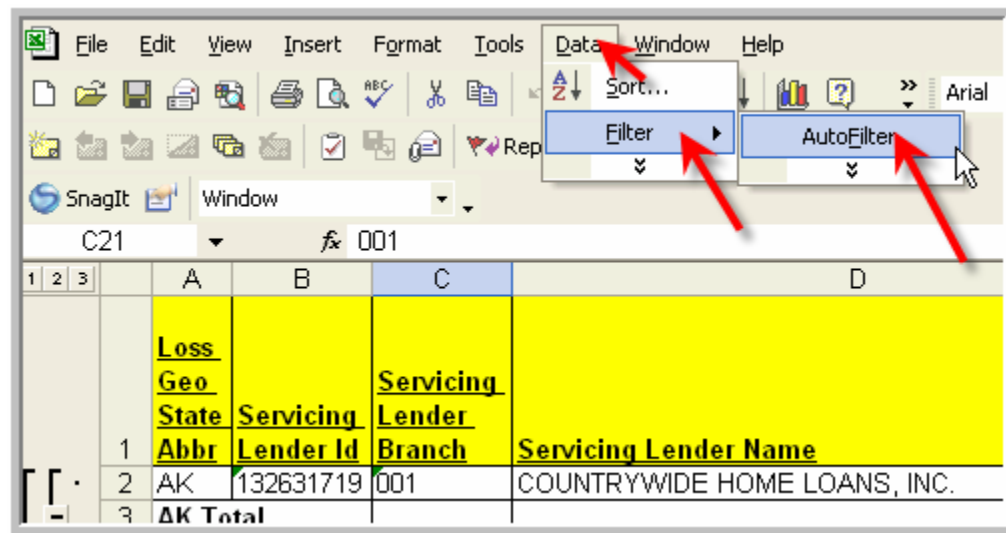
Under the Single Family Housing Guaranteed Loan Program, when a Real Estate Owned (REO) property remains unsold after the six months from the acquisition date; a loss claim calculation is based on estimated net sale proceeds, using an estimated sale price and estimated REO expenses. The estimated sales price is based upon a third party liquidation value appraisal obtained by the Agency. The value is applied to a Veterans Affairs (VA) cost factor to estimate REO expenses.

Under separate cover, States will be forwarded an electronic spreadsheet which lists ENR claims pending. We request that States review the spreadsheet which lists ENR claims pending, and to update the spreadsheet with the contract sales price. The sales price is a

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matter of public record, and the lender may also have reported the contract sales price when the property eventually sold. If a sale is still pending, please indicate such in the comment section of the spreadsheet. To utilize the attached report, at your window title bar, select *data*, *filter* and *auto-filter* as indicated in the example below:



To filter your State, in column A utilize the dropdown arrow and select your State to filter out other inapplicable states. With this command, you will now be working with only your State information. It is suggested you save this worksheet, as filtered, under another name.

1	2	3	A	B	C	
			<u>Loss</u>			
			<u>Geo</u>			
			<u>State</u>	<u>Servicing</u>	<u>Lender</u>	
1			<u>Abl</u>	<u>Lender</u>	<u>Branch</u>	<u>Servicing Len</u>
			OH	132631719	001	COUNTRYWID
			OH Total	tal		
			OK			
			OK Total	363744610	002	ATLANTIC MOI
			OR	133947742	001	AURORA LOAI
			OR Total	221092200	001	CHASE MANH
			PA	221092200	001	CHASE MANH
			PA Total	221092200	001	CHASE MANH
			PR	221092200	001	CHASE MANH
			PR Total	221092200	001	CHASE MANH
			SC	221092200	001	CHASE MANH
			SC Total	221092200	001	CHASE MANH
			SD	221092200	001	CHASE MANH
			SD Total	221092200	001	CHASE MANH
			TN	221092200	001	CHASE MANH
			TN Total	221092200	001	CHASE MANH
			TX	221092200	001	CHASE MANH
			TX Total	221092200	001	CHASE MANH
			UT	221092200	001	CHASE MANH
			UT Total	221092200	001	CHASE MANH
			* 17 AL	231694840	001	GMAC MORTG

The cases noted in the spreadsheet are claims based upon an estimated sales price, for which no recovery has been received, and for which the claims were processed by the State. We believe many of the cases noted in the spreadsheet represent properties that have been sold.

The CSC will update GLS by inputting information from the spreadsheet collected from the states regarding the status of the ENR claim for all lenders that are now centralized, but who were decentralized when the loss payment was made.

In order to complete this process and update records on the system, each State should take the following actions:

1. Complete a review of the future recovery cases noted on the attached report within 30 days from the date of this letter.
2. Note the contract sales price in the column as defined.
3. If the Contact Name, or telephone number is blank on the attached report, please input with the information you have on hand. This information is "required" fields on the *Add Recovery Calculator*.
4. In the comments column note the status of follow-up actions performed by your State if information from the lender is pending.

6.5. Forward the completed worksheet electronically to Debbie Terrell, Loan Specialist, Single Family Housing Guaranteed Loan Division at debra.terrell@wdc.usda.gov.

6. For those lenders that are now centralized, your worksheet, with information will be forwarded to CSC, who will input the contract sales information into the *Add Recovery Calculator* in GLS. By inputting this information into the *Add Recovery Calculator*, Report GLSFH18 will be updated.
7. For those lenders whose loss claims continue to be processed by the State, upon verification of the REO sold, the State may report the sale and update tracking records by transferring verified information into GLS.

If you cannot find the ENR sales price in your State records or from public land records, please avoid contacting Nationwide-approved lenders if the ENR claim was paid over six months from the date of this letter. Instead, please indicate in the comment section of the spreadsheet that the State files and the public land records do not show that a sale has yet taken place. The National Office will follow up on such claims based on the information from the spreadsheet. For State-approved lenders, please consider non-compliance with requests for information as grounds for a lender monitoring review under RD Instruction 1980-D, Section 1980.309(g)(3).

Future Recovery tracking is an ongoing process. Agency personnel should contact the lender no later than 90 days after a loss claim is paid on an ENR, and continue follow-up until the REO is reported as sold. Lenders typically archive files upon closing their records, therefore prompt follow-up is necessary. Future recovery tracking and follow-up is an important necessary function of the loss claim process.

If you have any questions regarding this request, please contact Debbie Terrell at (918) 534-3254 or debra.terrell@wdc.usda.gov. Thank you very much.

December 14, 2005

SUBJECT: Faith-Based and Community Initiatives FY 2005 Final OMB Reports

TO: Rural Development State Directors

ATTN: Faith-Based and Community Initiatives Coordinators and Alternates
Administrative Program Directors, Housing Program Directors,
Utilities Program Directors

We are attaching the subject final reports for your information and review. The reports are cumulative for FY 2005 and contain data for all states. We hope that you will find the reports beneficial in planning your Faith -Based and Community Initiative (FBCI) outreach and technical assistance for FY 2006 and seeing what programs may need additional public outreach based on funds awarded in FY 2005. Reports for individual states can be run at any time by the FBCI Coordinator or Alternate.

We thank you and your staff for the monthly data and public outreach reports. Through everyone's good efforts, we met all of the Department's reporting requirements as scheduled for FY 2005. We continue to face some reporting challenges in getting the required OMB data. The Data Universal Numbering System (DUNS) numbers are required reporting information for all 12 programs under the FBCI. Organizations (applicants) should verify that they have a DUNS number or take the steps needed to obtain one as soon as possible if they are applying for Federal grants (financial assistance). Organizations can receive a DUNS number at no cost by calling the dedicated toll-free DUNS Number request line at 1-866-705-5711. Individuals who would personally receive a grant award from the Federal government apart from any business or non-profit organization they may operate are exempt from this requirement. This rule was effective October 1, 2003. Unless an exemption is granted, an application will not be considered complete until a valid DUNS number is provided by the applicant. Agencies may not grant exemptions from this policy. Requests for exemptions must be directed to OMB {OFFICE OF MANAGEMENT AND BUDGET-Use of a Universal Identifier by Grant Applicants, Federal Register Vol. 68, No. 124, Friday, June 27, 2003 attached}.

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Again, your FBCI work is greatly appreciated. If you have questions on the FBCI data collection, reports, or public outreach, please email them to rhonda.brown@wdc.usda.gov, or phone (202) 692-0298.

(Signed by Sherie Hinton Henry)

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

Attachments

(Federal Register attached, all others attachments were sent via e-mail. Please contact Rhonda Brown for additional information.)

Sent by electronic mail on **December 15, 2005**, at **1:20PM** by the Office of the Deputy Administrator for Operations and Management.

1,000 to 500. This revision will allow Federal agencies to provide more focused attention where there is the greatest risk in terms of Federal awards expended, but still provide each non-Federal entity with an assigned oversight agency for audit from which to request technical advice. The revision also changes the base years for determining cognizant agency for audit assignments. (Currently, the cognizant agency for audit determination is based on the amount of Federal funding in the year immediately preceding each five-year audit cognizant period. This revision changes the base year to the second year preceding the five-year audit cognizant period to allow sufficient time to make cognizant agency for audit determinations before the start of the audit cognizance period.) Finally, the revision changes the definition of oversight agency for audit to permit Federal agencies to make reassignments.

Response to Comments

OMB received 43 comment letters: Eight from Federal agencies, seven from State governments, four from universities, five from non-profit organizations, 14 from certified public accountants, and five from individuals. Nearly all comments focused on raising the audit threshold: 28 were in favor and 10 opposed. Of the 10 that were opposed to raising the audit threshold, two were from Federal agencies; two were from one State; one from a university; and five from individuals. Opposition centered on concerns over specific programs and the perceived lack of accountability over Federal funds that would fall below the new threshold. On the other hand, several commenters suggested raising the threshold to \$1 million to further alleviate the burden on non-Federal entities expending smaller amounts of Federal funds. OMB believes that, because the revisions only exempt an additional one-half of one percent of Federal dollars expended from audit while providing administrative relief to approximately 6,000 entities, the risk to Federal funds does not outweigh the benefits to grant recipients. OMB, however, appreciates the comments about reduced accountability and concerns expressed by several commenters that raising the audit threshold could provide more opportunities for fraud.

It is important to note that Circular A-133 audit is only one of many monitoring tools available to oversee the administration of and strengthen accountability over Federal grants. Grantee monitoring should occur

throughout the year rather than relying solely on a once-a-year audit. Monitoring activities may take various forms; however, a first monitoring tool should be identifying to the grantee the Federal award information (e.g., Catalog of Federal Domestic Assistance (CFDA) title and number, award name, name of Federal agency) and applicable compliance requirements. Other monitoring tools include reviewing grantee financial and performance reports, performing site visits to review financial and programmatic records and observe operations, and arranging for agreed-upon procedures engagements for certain aspects of grantee activities, such as described in § 230(b)(2) of Circular A-133. Factors such as the size of awards, the complexity of the compliance requirements, and risk of grantee non-compliance as assessed by the grantor may influence the nature and extent of monitoring procedures. Federal laws or regulations may impose monitoring requirements specific to a Federal program. The 2003 OMB Circular A-133 Compliance Supplement clarifies the guidance to auditors related to subrecipient monitoring.

It should also be noted that the Federal Government has the authority to audit and/or investigate any entity suspected of using Federal funds improperly, regardless of the amount of funds involved. Allegations of fraud should be directed to the Federal awarding agency's Office of Inspector General fraud hotline phone numbers which are available on the Internet at <http://www.ignet.gov>.

Nine comments addressed the increase from \$25 million to \$50 million of the threshold for cognizant agency for audit. Seven commenters (two Federal and five non-Federal) supported the increase and two Federal agencies opposed. One concern was that the reduction in the number of cognizant agency for audit assignments would reduce Federal agency monitoring of audit quality. OMB is actively working with Federal agencies to strengthen quality control reviews of audits by selecting a statistical sample of single audits to measure audit quality across Federal programs. This work is expected to improve our ability to measure and improve audit quality.

Four comments concerned the technical changes. One Federal agency (which opposed all of the proposed revisions to Circular A-133) expressed concern about accountability over Federal funds. As noted above, OMB believes that the revisions to Circular A-133 provide an appropriate balance between administrative relief and the risk to Federal funds.

Availability of Revised Circular

OMB has prepared an updated version of Circular A-133, as amended herein. It is available electronically on the OMB Home Page at <http://www.omb.gov> and then select "Grants Management" followed by "Circulars."

Dated: June 23, 2003.

Augustine T. Smythe,
Acting Director.

1. OMB hereby amends Circular A-133 by replacing \$300,000 with \$500,000 in the following sections: § ____ .200(a); § ____ .200(b); § ____ .200(d); § ____ .230(b)(2); and § ____ .400(d)(4).

2. OMB hereby amends Circular A-133 by replacing \$25 million with \$50 million in section § ____ .400(a), first sentence.

3. OMB hereby amends Circular A-133 by replacing section § ____ .400(a), third, fourth, and fifth (parenthetical) sentences with the following: § ____ .400 Responsibilities.

(a) * * * The determination of the predominant amount of direct funding shall be based upon direct Federal awards expended in the recipient's fiscal years ending in 2004, 2009, 2014, and every fifth year thereafter. For example, audit cognizance for periods ending in 2006 through 2010 will be determined based on Federal awards expended in 2004. (However, for 2001 through 2005, the cognizant agency for audit is determined based on the predominant amount of direct Federal awards expended in the recipient's fiscal year ending in 2000).

* * * * *

4. OMB hereby amends Circular A-133, section § ____ .105, by adding at the end of the definition of oversight agency for audit: "A Federal agency with oversight for an auditee may reassign oversight to another Federal agency which provides substantial funding and agrees to be the oversight agency for audit. Within 30 days after any reassignment, both the old and the new oversight agency for audit shall notify the auditee, and, if known, the auditor of the reassignment."

[FR Doc. 03-16355 Filed 6-26-03; 8:45 am]

BILLING CODE 3110-01-P

OFFICE OF MANAGEMENT AND BUDGET

Use of a Universal Identifier by Grant Applicants

AGENCY: Office of Management and Budget.

ACTION: Notice of final policy issuance.

SUMMARY: The Office of Management and Budget (OMB) is issuing a policy directive to implement the requirement for grant applicants to provide a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number when applying for Federal grants or cooperative agreements on or after October 1, 2003.

OMB has determined that there is a need for improved statistical reporting of Federal grants and cooperative agreements. Use of the DUNS number government-wide will provide a means to identify entities receiving those awards and their business relationships. The identifier will be used for tracking purposes, and to validate address and point of contact information. The DUNS number already is in use by the Federal government generally to identify entities receiving Federal contracts and by some agencies in their grant and cooperative agreement processes. Among existing numbering systems, the DUNS is the only one that provides the Federal government the ability to determine hierarchical and family-tree data for related organizations.

The DUNS number will be required whether an applicant is submitting a paper application or using the government-wide electronic portal (Grants.gov). By using the Grants.gov portal, entities will be able to store in a central repository organizational information that does not change from application to application. The DUNS number will be one of those stored elements.

The DUNS number will supplement other identifiers required by statute or regulation, such as tax identification numbers. It is our intent over time to use the DUNS number throughout the grants life cycle.

Organizations should verify that they have a DUNS number or take the steps needed to obtain one as soon as possible if there is a possibility that they will be applying for Federal grants or cooperative agreements on or after October 1, 2003. Organizations can receive a DUNS number at no cost by calling the dedicated toll-free DUNS Number request line at 1-866-705-5711. Individuals who would personally receive a grant or cooperative agreement award from the Federal government apart from any business or non-profit organization they may operate are exempt from this requirement.

DATES: A DUNS number must be included in every application for a new award or renewal of an award, including applications or plans under mandatory grant programs, submitted on or after October 1, 2003.

FOR FURTHER INFORMATION CONTACT: Sandra R. Swab, Office of Federal Financial Management, Office of Management and Budget, 725 17th Street, NW., Washington, DC 20503; telephone 202-395-5642; or e-mail sswab@omb.eop.gov.

SUPPLEMENTARY INFORMATION

A. Background

In a **Federal Register** notice [67 FR 66177] published on October 30, 2002, the Office of Management and Budget (OMB) proposed to establish the DUNS number as the universal identifier for Federal grant and cooperative agreement applicants. The OMB notice also included a proposed policy to establish this policy as a government-wide requirement. We received comments from 37 separate entities: 3 universities; 12 State/local governments; 7 non-profit organizations; 9 Federal agencies; 5 associations, and a for-profit business. We considered all comments in developing the final policy. Comments generally were in support of the concept of the Universal Identifier although there were concerns about the use of the DUNS number and the impact on certain types of recipients. These concerns are addressed in the responses below. Other comments which were outside the scope of this proposal, will be separately considered by the Grants.gov Program Management Office or the Public Law 106-107 working groups, as appropriate.

The following paragraphs summarize the major comments and our responses. For simplicity, the term "grant" used in the following section also means "cooperative agreement".

B. Comments and Responses

Comments on Applicability

Comment: Four commenters questioned whether the requirement to obtain a DUNS number should be applied to individuals. They urged that individuals that apply for grants directly from the Federal government be exempted from the requirement to obtain a DUNS number in order to apply.

Response: Agree. We clarified the policy directive to indicate that individuals who would personally receive a grant or cooperative agreement award from the Federal government, apart from any business or non-profit organization they may operate, are not required to provide a DUNS number in order to apply for or conduct subsequent business with the Federal government under a grant. Individuals may continue to apply under programs

for which they are eligible applicants without providing a DUNS number.

Comment: Ten commenters indicated that applying the DUNS number requirement to subrecipients would create difficulty and perhaps delay primary applicants in preparing their funding requests.

Response: Agree. The final policy directive indicates that applicants are not required to submit DUNS numbers for entities with which they may enter into subawards. Only the primary applicant, *i.e.*, the entity that makes application to the Federal government, including State, local, and Tribal governments, and other entities receiving block or other mandatory grants, will need a DUNS number at time of application.

Comment: Five commenters recommended that non-U.S. recipients be excluded from the DUNS number requirement since it would be difficult for many foreign organizations to obtain the number.

Response: Disagree. Foreign applicant organizations which are able to apply for a grant and meet the normal terms and conditions, including reporting requirements should be able to apply for and receive a DUNS number.

Comments on Numbering System/Alternate Process

Comment: Fourteen commenters recommended that the Federal Employer Identification Number (EIN) be considered for the universal identifier instead of the DUNS because it is already widely used during the Federal government's administrative processing of grants, or that an entirely new numbering system be designed.

Response: Disagree. Although other numbering systems currently are in use (and will continue), none is adequate to identify family tree relationships or can provide the access and validation capabilities offered by the DUNS. Many potential applicants already possess DUNS numbers. Further, the cost of developing and maintaining another numbering system for grantees would not be justified.

Comment: One commenter recommended we use the Social Security Number (SSN) as the universal identifier. The commenter suggested that the DUNS number be used only for organizations, or other entities for which a SSN would not be appropriate.

Response: Agree with the substance of the comment. We have exempted individuals who would personally receive a grant or cooperative agreement award from the Federal government apart from any business or non-profit

organization they may operate from the policy directive's applicability.

Comment: Two commenters appeared to misinterpret our proposal for a universal identifier and assumed that our intent was to have the DUNS number replace all other identifiers. One commenter also suggested that the multiple grant identifiers currently in use by various Federal agencies should be replaced by DUNS, and the DUNS should be used consistently throughout the grant life cycle to complement grant award numbers.

Response: Agree. The final policy directive clearly states the purpose of the DUNS and the continued existence of other numbering systems. It also is our intent over time to use the DUNS number in other parts of the grants life cycle, replacing other numbers if possible.

Comments on Implementation

Comment: Six commenters expressed concern regarding the burden required in obtaining a DUNS number for those organizations that do not currently have one, with one noting a particular burden for small and community and faith-based organizations.

Response: Disagree. OMB has determined that obtaining a DUNS number is not a significant burden under the Paperwork Reduction Act. There should be minimal burden on applicants. Obtaining a DUNS number is a one-time activity. With use of the toll-free request line, there will be an immediate DUNS number assignment at no charge to the requestor.

Comment: Nine commenters requested guidance for entities that have multiple DUNS numbers. They were particularly concerned that large organizations with multiple DUNS numbers may not use the appropriate DUNS number when applying, which would result in inaccurate tracking. They also questioned whether Federal agencies will be responsible for verifying that applicants are using valid DUNS numbers.

Response: Agree in part. Dun and Bradstreet (D&B) will work with an applicant to understand or change their numbers, however each organization is responsible for controlling its own DUNS hierarchy. D&B recommends a single point of contact for each entity. The DUNS will not affect the ability of the entity to structure its organizational delegations and authorities for submitting applications. A central Federal repository [currently named the Business Partner Network (BPN), formerly the Central Contractor Registry (CCR)], rather than individual Federal agencies, will be responsible for

performing periodic verification of DUNS numbers.

Comment: Four commenters suggested that the universal identifier might enhance the ability of State governments to track recipients of Federal funds within their States. These commenters also requested clarification of whether payment processes will be affected, for example, if the DUNS number would be required as part of each request to draw down Federal funds.

Response: No change. OMB is working to ensure that, for applications subject to the DUNS number requirements, Federal grant financial reporting, payment, and audit requirements are modified to also incorporate use of the DUNS number. It is OMB's intent to expand use of the DUNS number throughout the entire grants life-cycle.

Comments on Education/Outreach

Comment: Three commenters strongly recommended that applicants be notified up front through both paper and electronic means of the need to apply for a DUNS number before submitting a grant application and/or verify their organization's DUNS number. In addition, they suggested that applicants should know in advance what information they would be asked to provide.

Response: Agree. Guidance on how to obtain a DUNS number, verify whether an entity already has a DUNS number, and obtain copies of the organization family-tree will be provided at the Grants.gov portal. Links to this guidance will be included on Federal web sites, and it will be used in outreach and other education efforts.

Comment: Three commenters asked for information concerning how the Federal government will conduct outreach on the new policy within the various grant communities. In particular, they asked whose responsibility it is to inform the public. They suggested that OMB work with technical assistance providers that currently provide services to nonprofits on the outreach and educational efforts.

Response: Agree. Federal agencies will be responsible for notifying their respective applicant/recipient communities of the change. A link to the guidance on how to obtain a DUNS number will be available from Federal web sites. In addition, we will work with associations representing various constituencies for their assistance in "getting the word out."

Dated: June 23, 2003.

Linda M. Springer,
Controller.

To the Heads of Executive Departments and Agencies

Subject: Requirement for a DUNS Number in Applications for Federal Grants and Cooperative Agreements.

1. *Purpose.* This policy directive establishes the requirement that applications for Federal grants or cooperative agreements include a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number.

2. *Authority.* This policy directive is part of the implementation of the Federal Financial Assistance Management Improvement Act of 1999 (Pub. L. 106-107). This policy is also designed to further implement the E-Grants.gov initiative, one of the 24 electronic government (E-Gov) initiatives under the President's Management Agenda.

3. *Background.* Public Law 106-107 requires the Office of Management and Budget (OMB) to direct, coordinate, and assist Executive Branch departments and agencies in establishing an interagency process to streamline and simplify Federal financial assistance procedures for non-Federal entities. It also requires executive agencies to allow applicants to electronically apply for, and report on the use of, funds from the Federal financial assistance programs administered by the agency.

Under the E-Grants.gov initiative, the Federal agencies are in the process of developing an electronic grant application system using standard core data elements. The DUNS number is one of those data elements. It will be used to link to fixed applicant data, such as name and address fields, maintained in a central Federal registration repository. This will allow the data to automatically populate corresponding fields in the electronic application. Applicants will not have to re-enter this information on each electronic application they submit. The DUNS number requirement is also applicable to paper applications because of planned reporting requirements.

4. *Policy.*

a. *Applicability.* This policy applies to all types of entities applying for Federal grants or cooperative agreements under discretionary and mandatory grant programs or activities except:

i. Individuals who would personally receive a grant or cooperative agreement award from the Federal government apart from any business or non-profit organization they may operate.

ii. Any applicant that receives an exemption, or an applicant under a

program that receives an exemption (see paragraph c. below).

For purposes of this policy, the applicant is the entity that meets the agency's or program's eligibility criteria and has the legal authority to apply. For example, a consortium formed to apply for a grant or cooperative agreement must obtain a DUNS number for that consortium. If a consortium is eligible, and the agency's policy is to make the award to a lead entity for the consortium, the DUNS number of the lead entity will be used.

b. *Effect.* Every application for a new award or renewal of an award, including applications or plans under mandatory grant programs, submitted on or after October 1, 2003 must include a DUNS number for the applicant. Unless an exemption is granted, an application will not be considered complete until a valid DUNS number is provided by the applicant.

For Federal purposes, the applicant is not required at this time to submit DUNS numbers for entities with which it may enter into subawards.

The DUNS number does not replace existing numbers, such as the Employer Identification Number (EIN), the Tax Identification Number (TIN), and State Application Identifier (SAI) numbers that are required by statute, Executive Order, or regulation.

c. *Exemptions.* Agencies may not grant exemptions from this policy. Requests for exemptions must be directed to OMB.

5. *Agency Responsibilities.* Agencies that award grants or cooperative agreements shall:

a. Issue any needed implementing direction to component offices to meet the requirements of this policy directive.

b. Provide outreach and education appropriate to their applicant communities regarding the requirement for a DUNS number. Agencies should encourage entities that anticipate applying for Federal grants or cooperative agreements to obtain a DUNS number in advance of a specific application. Agencies should inform entities that it is their responsibility to obtain a DUNS number.

c. Include this requirement in all funding opportunity announcements issued on or after the effective date of this policy directive with application due dates or acceptance dates on or after October 1, 2003. For all other funding opportunity announcements with due dates or acceptance dates on or after October 1, 2003, agencies must amend their announcements or take other appropriate measures to inform potential applicants of this requirement.

These requirements apply equally to other types of notifications if funding opportunity announcements are not used.

d. Revise their grant and cooperative agreement applications and plans to include a DUNS number. OMB approval is not required to add a DUNS number field to previously approved forms.

e. Ensure that their grant-related processing systems, and other systems as appropriate, are able to accept the DUNS number.

6. *Information Contact.* Direct any requests for exemption or questions about this policy directive to Sandra Swab, Office of Federal Financial Management, 202-395-5642 (direct) or 202-395-3993 (main office), or via e-mail (sswab@omb.eop.gov)

7. *Effective Date.* This policy directive is effective 30 days after issuance.

Dated: June 23, 2003.

Linda M. Springer,
Controller.

[FR Doc. 03-16356 Filed 6-26-03; 8:45 am]

BILLING CODE 3110-01-P

OFFICE OF MANAGEMENT AND BUDGET

Final Report of the Small Business Paperwork Relief Task Force

AGENCY: Office of Management and Budget, Executive Office of the President.

ACTION: Notice.

SUMMARY: The Office of Management is publishing the Final Report of the Small Business Paperwork Relief Task Force on June 28, 2003. The Small Business Paperwork Relief Task Force recommends options regarding the feasibility of consolidating information collections, organizing a list of information collections, and creating interactive electronic systems. A Draft Report was released for public comment May 9, 2003 and the response to comments is included in Appendix 8 of the Final Report. The Final Report of the Small Business Paperwork Relief Task Force is posted on OMB's Web site, <http://www.whitehouse.gov/omb/inforeg/sbpr2003.pdf>, and on the Small Business Administration's Web site for business laws, <http://www.businesslaw.gov>.

FOR FURTHER INFORMATION CONTACT: Shivani Desai, Office of E-Government and Information Technology, Office of Management and Budget, E-mail: shivani_desai@omb.eop.gov, Telephone: (202) 395-3092.

SUPPLEMENTARY INFORMATION: Congress directed the Director of OMB to convene and have a representative chair a Task Force "to study the feasibility of streamlining requirements with respect to small business concerns regarding collection of information and strengthening dissemination of information" (44 U.S.C. 3520, Pub. L. 107-198). More specifically, this Small Business Paperwork Relief Task Force is charged with examining five ways to reduce the information collection burden placed by government on small business concerns. They are:

1. Examine the feasibility and desirability of requiring the consolidation of information collection requirements within and across Federal agencies and programs, and identify ways of doing so.

2. Examine the feasibility and benefits to small businesses of having OMB publish a list of data collections organized in a manner by which they can more easily identify requirements with which they are expected to comply.

3. Examine the savings and develop recommendations for implementing electronic submissions of information to the Federal government with immediate feedback to the submitter.

4. Make recommendations to improve the electronic dissemination of information collected under Federal requirements.

5. Recommend a plan to develop an interactive Government-wide Internet program to identify applicable collections and facilitate compliance.

The Small Business Paperwork Relief Task Force is required to submit a report of its findings on the first three issues no later than one year after enactment, or June 28, 2003. A second report on the final two issues is required no later than two years after enactment, or June 28, 2004. Both reports must be submitted to the Director of OMB; the Small Business and Agriculture Regulatory Enforcement Ombudsman; and the Senate Committees on Governmental Affairs and Small Business and Entrepreneurship; and, the House Committees on Government Reform and Small Business.

The Director of OMB appointed Dr. John D. Graham, Administrator of the Office of Information and Regulatory Affairs, and Mr. Mark A. Forman, Administrator for the Office of E-Government and Information Technology, to co-chair the Small Business Paperwork Relief Task Force.

The Act specifies the following agencies to be represented on the SBPRA Task Force: Department of Labor (including the Bureau of Labor

December 14, 2005

TO: All State Directors

ATTN: Rural Housing Program Director

FROM: David J. Villano *(Signed by David J. Villano)*
Deputy Administrator
Single Family Housing

SUBJECT: Inaccurate Orders for Credit Reports
Single Family Housing Direct

This memorandum outlines the corrective actions needed when credit reports are ordered with incorrect information on the Borrower Information – Individual screen in UniFi. Inaccuracies on this screen such as the misspelling of the applicant's surname, incorrect address, wrong social security number, or improper linkage between borrower and co-borrower can result in a substandard credit report and avoidable costs to the Agency.

SCENARIO 1: Incorrect borrower information resulted in no credit information being pulled from the three repositories.

Trans Union will deliver a report showing no hits. Whenever there are no hits, the field staff should validate the borrower information in UniFi. **If borrower information was incorrectly entered into UniFi, the field staff must correct the information and order a new report.**

The Agency will be charged for the new report. A "reorder" is not free and additional fees can not be assessed against the applicant.

SCENARIO 2: Borrower information was incorrect but credit information is pulled from all three repositories.

EXPIRATION DATE:
December 31, 2006

FILING INSTRUCTIONS:
Housing Programs

Trans Union will process the report. However, an ID mismatch alert will appear on the report indicating the input surname, address, or social security number does not match what is on file. Whenever this alert message appears, the field staff should validate and correct the borrower information in UniFi. **Unless there are compelling reasons to do so (such as discrepancies between the report and the application), the field staff should not order a new report.**

SCENARIO 3: Borrower information was incorrect but credit information is pulled from some (but not all) of the repositories.

Trans Union will process the report with the repositories that pulled. Similar to scenario 2, an ID mismatch alert will appear which should prompt the field staff to validate and correct the borrower information in UniFi. **Unless information from only one repository was pulled or there are other compelling reasons to do so, the field staff should not order a new report.**

SCENARIO 4: Borrower was improperly linked to themselves instead of to their co-borrower spouse (or vice versa).

Trans Union will process a joint report, but the report will only reflect one spouse. **Using the guidance in the DLOS manual, Chapter 4, the field staff must fix the linkage and order a new joint report.**

Trans Union is not responsible for identifying and correcting errors in the Agency's ordering of a credit report. The field staff is responsible for validating the borrower information in UniFi prior to placing an order and for ensuring that the report received is sufficient.

If you have any questions regarding this memorandum, please contact Brooke Baumann of the Single Family Housing Direct Loan Division at (202) 690-4250.

December 14, 2005

TO: State Directors
Rural Development

ATTN: Community Programs Directors

FROM: Russell T. Davis *(Signed by Russell T. Davis)*
Administrator
Rural Housing Service

SUBJECT: Community Facilities Guaranteed Loan Program
Guidance on the Estimated Loss Claim in Liquidation Cases

The purpose of this unnumbered letter is to provide guidance to the Rural Development Community Programs Director and staff for actively pursuing submission of an estimated loss claim when a loss is expected to occur in connection with liquidation of a loan. Early payment of the estimated loss claim reduces the amount of accrued interest, due to the reduction of principal, if a final loss claim is paid. It improves case management and recovery on the debt through periodic evaluations and facilitates needed modifications to the liquidation plan.

Section 3575.95 of RD Instruction 3575-A authorizes the payment of an estimated loss claim based on the collateral value after the lender obtains title to collateral in a liquidation situation. Payment of the estimated loss claim will be based upon the fair market value of the collateral determined by a current appraisal of the collateral and only after the lender's liquidation plan has been submitted and approved by the Agency.

The lender's liquidation plan is required within 30 days after the lender and Rural Development agree to liquidate the guaranteed loan. The lender and the agency should be able to recognize at that time, the possibility of the collateral being acquired by the lender. The liquidation plan must adequately address that possibility and include an aggressive marketing strategy to resell the acquired collateral. A more thorough discussion of the liquidation plan is contained in RD Instruction 3575-A, §3575.81 (c).

EXPIRATION DATE:
November 30, 2006

FILING INSTRUCTIONS:
Community/Business Programs

When the lender, pursuant to the approved liquidation plan, has foreclosed on the collateral and obtained equitable title by bidding in the collateral at auction, the state servicing official should, upon notification by the lender of its title to the collateral, pursue submission of the lender's amended liquidation plan and estimated report of loss, if applicable. Payment of the estimated loss claim to the lender should be made within 30 days of the lender acquiring equitable title. Legal title does not have to be perfected to pay the estimated loss claim.

The lender must actively market the collateral for a reasonable period of time, but no less than 6 months. The liquidation plan, should be revisited every 90 days, by the lender and the state servicing official and amended, if necessary. If after a reasonable period of time, but no less than 6 months, the lender is unable to sell the collateral, then consideration should be given to holding discussions with the lender regarding submission of a final loss claim to the agency based on the fair market value of the collateral prior to its ultimate disposition. The final loss claim will be based upon the lender's actual cost and expense of acquiring, maintaining and marketing the property.

The loss occasioned by accruing interest will be covered to the extent of the guarantee to the date of final settlement provided the lender proceeds expeditiously with the liquidation plan approved by the Agency. Payment of the estimated loss claim within the 30 days of the lender acquiring title will substantially reduce the amount of any final loss claim paid.

If you have any questions concerning this issue, please contact Kendra Doedderlein at (202) 720-1503.

December 14, 2005

SUBJECT: Interest Rate Changes for Housing Programs
and Credit Sales (Nonprogram)

TO: Rural Development State Directors,
Rural Development Managers,
and Area Directors

ATTN: Rural Housing Program Director

The following interest rate is in effect for loans approved after the beginning of business January 1, 2006.

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
Farm Labor Housing- State Director Exception	8.250%	8.000%

Please notify appropriate personnel of this rate.

(Signed by Russell T. Davis)

RUSSELL T. DAVIS
Administrator
Housing and Community Facilities Programs

Sent by Electronic Mail on 12/15/05 at 8:25 a.m. PAD.

EXPIRATION DATE:
December 31, 2006

FILING INSTRUCTIONS:
Administrative/Other Programs

December 15, 2005

SUBJECT: Freedom to E-File Implementation

TO: National Office Officials

Rural Development, Farm Service Agency, and Natural Resources Conservation Service are required by law to develop and implement a process that supported electronic submission, maintenance, or disclosure of information as a substitute for paper. The laws requiring this change include the Government Paperwork Elimination Act and the Freedom to E-File Act.

In December 2000, a common Internet web site was deployed to meet the requirements of the Acts listed above. The web site permits agricultural producers and the customers of Rural Development to access and download forms used to collect information needed to participate in the respective programs and services of each agency. The web site utilizes a single Internet address and provides common search and retrieval functions for all public use forms. The address of the web site is <http://www.sc.egov.usda.gov>.

All the Rural Development forms on this web site are for public use and require approval from the Office of Management and Budget (OMB) per the Paperwork Reduction Act of 1995. This is done by submitting a paperwork burden docket consisting of a supporting statement and spreadsheet about the form to OMB. The Paperwork Reduction Act of 1995 defines "burden" as the total time, effort, or financial resources expended by a person to generate, maintain, retain, disclose, or provide information to or for a Federal agency. The Regulations and Paperwork Management Branch (RPMB) is responsible for reviewing all forms and for obtaining clearance of these forms through OMB. Therefore, if you have a form you wish to post to this web site, it must be cleared through RPMB first. Once all the clearances have been obtained, RPMB will process the form for posting to the web site. For additional information regarding paperwork burden, please contact Renita Bolden, RPMB, on 202-692-0035 or via e-mail at renita.bolden@wdc.usda.gov.

EXPIRATION DATE:
December 31, 2006

FILING INSTRUCTIONS:
Administrative/Other Programs

Another requirement that OMB has imposed on forms posted to this web site is that step-by-step instructions be written on how to complete the forms. This is different from the Forms Manual Insert (FMI) that accompanies each form. The FMI is still required but this is an additional requirement for forms posted to this web site. These instructions are written for the public and do not contain any administrative information as on the FMI. There is a template which must be followed. It is attached for your convenience. When preparing a form for the web site, please make sure to follow the template when preparing the instructions. Do not change the fonts or sizing within the template as we are trying to make sure that all the instructions are uniform.

In you have any questions or concerns regarding this issue, please contact Jeanne Jacobs, Chief, RPMB, at 202-692-0040 or via e-mail at jeanne.jacobs@wdc.usda.gov.

(Signed by Deborah B. Lawrence) for

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

Attachment

Sent by electronic mail on **12-16-06** at **9:15 a.m.** by the Support Services Division.
National Office Officials shall notify other personnel as appropriate.

TEMPLATE FOR INSTRUCTIONS**Instructions for RD (*Insert Form Number*)*****Insert Name of Form***

Insert explanation of what the form is used for.

Submit the original of the completed form in hard copy to the appropriate Rural Development State Office.

Features for transmitting the form electronically are available to those customers with access credentials only. If you would like to establish online access credentials with USDA, follow the instructions provided at the USDA eForms web site (<http://forms.sc.egov.usda.gov/eforms/mainervlet>).

Insert who is to fill out the form. If there are areas that are filled in by Rural Development employees only, please state that here. For those items that are Rural Development only, you do not need instructions. See example below.

Dealer-Contractor Information.

Fld Name / Item No.	Instruction
1 To	Enter the name and address of the Rural Development State Office.
2 Date	Enter the date the form is completed.
3 Tax Identification Number	Enter the tax identification number of the business.
4 Trade Name	Enter the name of the business.

5 Phone Number	Enter the area code and phone number.
6 Number and Street	Enter the street address of the business.
7 Date Business Established	Enter the date the business was established.
8 City, State, Zip Code	Enter the City, State, and Zip Code of the business.

If not a sole partnership, identify principals.

Fld Name / Item No.	Instruction
9 Name	Enter the name(s) of the owners of the business.
10 Title	Enter the person's title such as President, Secretary, etc.
11 Home Address	Enter the person's home address.

Employment history of principals for past ten years.

Fld Name / Item No.	Instruction
19 Name of Principal, Position, and Dates Employed	Enter the name, job position, and dates employed in that position.
20 Names and Addresses of Employers	Enter the names and addresses of the principal's employers.
21 Type of Business	Enter the principal's employer's type of business.
22 Bank of Deposit	Enter the name of the bank the business uses.

Credit references.

Fld Name / Item No.	Instruction
23 Name	Enter the name(s) of all credit the business utilizes.
24 Address	Enter the address of the credit references.

25 Dates	Enter the dates the credit was used.
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For use of Dealer-Contractor for supplying additional information.

Fld Name / Item No.	Instruction
26 Additional Information	Complete with any additional information the dealer-contractor feels is needed.

Remaining items for Rural Development use only.

December 15, 2005

TO: All State Directors
Rural Development

ATTENTION: Rural Housing Program Directors
Rural Development Managers, and
Community Development Managers

FROM: Russell T. Davis *(Signed by Jackie J. Gleason) for*
Administrator
Rural Housing Service

SUBJECT: Section 502 Direct Loans with a Housing Choice Voucher
Homeownership Program

The purpose of this unnumbered letter is to re-issue the guidance contained in the unnumbered letter dated September 24, 2004, regarding the unique processing requirements for a Section 502 Direct Loan coupled with a Housing Choice Voucher (commonly referred to as Section 8) funded through the Department of Housing and Urban Development (HUD). The attachment to this memorandum summarizes the separate conditions applied by Rural Development and HUD.

States should encourage their local Public Housing Agencies (PHAs) to work in concert with Rural Development to promote the use of the Housing Choice Voucher – Homeownership Program by our applicants.

If you have any questions regarding this memorandum, please contact Janet Carter of the Single Family Housing Direct Loan Division at (202) 720-1489.

Attachment

EXPIRATION DATE:
December 30, 2006

FILING INSTRUCTIONS:
Housing Programs

Section 502 Direct Loans with a Housing Choice Voucher – HOMEOWNERSHIP PROGRAM

HUD REQUIREMENTS:

As we understand it, the following are HUD's requirements for program participation.

PUBLIC HOUSING AGENCY

- Public Housing Agencies (PHAs) that administer tenant-based assistance may choose to offer the homeownership option to qualified applicants and participants through the Housing Choice Voucher program provided they have the capacity to operate a successful homeownership program and they disclose their intentions in the Annual PHA Plan.
- Assistance may be restricted based on criterion established by the PHA.
- PHAs are responsible for determining that the family, dwelling, and offered financing meet the requirements discussed below.

FAMILY

- First-time homeowner.
- Except in the case of disabled families, the qualified annual income of note signers must not be less than the Federal minimum hourly wage multiplied by 2,000 hours (currently \$10,300). For disabled families, the qualified annual income of note signers must not be less than the monthly Federal Supplemental Security Income benefit for an individual living alone multiplied by 12 (currently \$6,768). The PHA may also establish a higher minimum income requirement for either or both types of families. Except in the case of an elderly or disabled family, welfare assistance is not counted in determining whether the family meets the minimum income requirement.
- Except in the case of elderly and disabled families, at least one note signer is currently employed on a full-time basis and has been continuously employed on a full-time basis for at least one year before commencement of homeownership assistance.
- The family meets any other initial eligibility requirements set by the PHA.
- The family must satisfactorily complete the PHA's homeownership-counseling program.

DWELLING

- The dwelling must be under construction (with the footings poured) or already existing at the time the family enters the contract of sale.
- The dwelling must pass a housing quality standards inspection conducted by the PHA as well as an independent home inspection. Rural Development may accept the independent inspection for the purpose of determining any required repairs.

FINANCING

- The purchasers arrange their own financing.
- PHAs may not require the use of specific lenders but may establish requirements concerning qualifications of potential lenders, place prohibitions on certain forms of financing, establish requirements concerning terms of financing, and place restrictions on other debts secured by the property.
- All PHA financing or affordability requirements must be described in PHA administrative plan.

ASSISTANCE LIMITS

- With the exception of elderly and disabled families, the Housing Choice Voucher is limited to 15 years if the mortgage is 20 years or longer and 10 years if the mortgage is less than 20 years.
- The amount of assistance is reviewed annually and adjusted based on changes in family income.
- The family is permitted to sell the dwelling and transfer the Housing Choice Voucher to another dwelling.

HOUSING ASSISTANCE PAYMENTS

- Payments can be made either to the family or to the lender.
- While the family is residing in the home, the PHA shall pay a monthly homeownership assistance payment on behalf of the family that is equal to the lower of the payment standard minus the total tenant payment or the family's monthly homeownership expenses minus the total tenant payment within the above assistance limits.

RURAL DEVELOPMENT REQUIREMENTS

INCOME

- The housing assistance payment (HAP) **is not** included in the household's annual income for the purpose of determining the income category in which the household falls in or determining payment assistance.
- The HAP payment **is** included in the applicant's repayment income when determining repayment ability for the loan.

PAYMENTS

- Encourage the PHA to send the HAP (principal, interest, taxes and insurance portion only) directly to Rural Development (via the appropriate lockbox) or to the leveraged lender versus sending it directly to the family.
- Notify the PHA of the appropriate lockbox address and inform the PHA that the check **must** include the borrower's name and account number at a minimum.
- If the PHA elects to use any other payment method, field offices will be responsible for monitoring these accounts, which will require coordination with CSC to ensure they remain current.
- Accounts that use the Housing Choice Voucher should be designated a "Yes" in the field called "Section 8 Vouchers" in the "New Application Additional Set Up Screen" in UniFi.

For additional information on the Housing Choice Voucher – Homeownership Program, please visit <http://www.hud.gov/offices/pih/programs/hcv/homeownership>.

December 15, 2005

SUBJECT: Interest Rates for Community Facilities

TO: Rural Development State Directors,
Rural Development Managers,
and Area Directors

Effective from January 1, 2006, through March 31, 2006, the interest rates for direct community facility loans are as follows:

Poverty Line...	unchanged	at.....	4.500%
Intermediate...	increased	to.....	4.500%
Market.....	increased	to.....	4.500%

Please notify appropriate personnel of these rates.

(Signed by Jackie J. Gleason)for

RUSSELL T. DAVIS
Administrator
Housing and Community Facilities Programs

EXPIRATION DATE:
March 31, 2006

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by Electronic Mail on **12/16/05** at **1:40 p.m.** by PAD.

December 15, 2005

SUBJECT: Interest Rates for Water and Waste Disposal
Loans, Watershed Protection and Flood
Prevention Loans, and Resource Conservation
and Development Loans

TO: Rural Development State Directors,
Rural Development Manager
and Community Development Managers

Effective from January 1, 2006, through March 31, 2006, the interest rates for Water and Waste Disposal Loans are as follows:

Poverty Line.	..unchanged at.....	4.500%
Intermediate...	increased to.....	4.500%
Market.....	increased to.....	4.500%

Also, the rate for Watershed Protection and Flood Prevention Loans and Resource Conservation and Development Loans is as follows:

CURRENT RATE	NEW RATE
4.250%	4.500%

EXPIRATION DATE:
March 31, 2006

FILING INSTRUCTIONS:
Administrative/Other Programs

Please notify appropriate personnel of these rates.

(Signed by James M. Andrew)

JAMES M. ANDREW
Administrator
Utilities Programs

Sent by Electronic Mail on **12/19/05** at **1:35 pm.** by PAD.

December 16, 2005

SUBJECT: Jerome Davin
Director, Human Resources Training Branch

TO: Rural Development State Directors
National Office Officials

ATTN: Administrative Program Directors
Human Resources Managers

I am pleased to announce the selection of Jerome Davin, as Director, Human Resources Training Branch, effective November 13, 2005.

Mr. Davin's previous appointment was with the United Nations as the Staff Development Officer. He comes to us with a wealth of training knowledge, particularly in the Information Technology field.

Mr. Davin has a Master of Science in Management and Organizational Development, and a Bachelor of Arts in International Relations, both from the United States International University.

I know Mr. Davin and I can count on your support in his new position as the Director, Human Resources Training Branch. Mr. Davin can be reached at (202) 401-9702 or via e-mail at jerome.davin@wdc.usda.gov.

(Signed by Sherie Hinton Henry)

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

EXPIRATION DATE:
December 31, 2005

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by electronic mail on **12/19/05** at **3:15pm** by Human Resources. State Directors and National Office Officials should advise other personnel as appropriate.

December 18, 2005

SUBJECT: Intermediary Relending Program
Unemployment Rate

TO: State Directors, Rural Development

ATTN: Business Programs Directors

RD Instruction 4274-D, section 4274.344(c)(2)(iii), provides for priority points for Intermediary Relending Program applications based on unemployment rates. The overall national unemployment rate for October 2005 was 5.0 percent. This unemployment rate will be used to compute the unemployment rate points until updated by the National Office. This supersedes the figure announced in an unnumbered letter issued on December 10, 2004.

(Signed by Peter J. Thomas)

Administrator
Business and Cooperative Programs

EXPIRATION DATE:
December 31, 2006

FILING INSTRUCTIONS:
Community/Business Programs

Note to file: November unemployment rate obtained from The Employment Situation, published 11/29/05 by the Bureau of Labor Statistics, U.S. Department of Labor.

December 20, 2005

SUBJECT: Employment of Veterans

TO: Rural Development State Directors
National Office Officials

ATTENTION: Administrative Program Directors
Human Resources Managers

The Office of Personnel Management (OPM) continues to stress the importance the Administration places on veterans' employment issues, in particular ensuring that veterans receive the employment preferences they have earned.

OPM has been in the forefront of efforts to preserve and protect veterans' preference in Federal employment; however, agencies have not been as successful in their veterans' outreach. The following recommendations are provided to improve outreach:

- Local human resources offices have the ability to exercise hiring strategies through external recruitment outreach programs with vocational rehabilitation offices, state employment offices, veterans' organizations, colleges, and other facilities where applications from disabled veterans can be obtained. This will support our mission to increase employment of disabled veterans.
- All servicing human resource offices are encouraged to utilize available national electronic resume database services such as the Social Security Administration, Project Able Database Application. Veteran resumes can be obtained by registering and obtaining a user identification code at <http://www.ssa.gov/work/>.
- Rural Development has increased the number of female veterans in our workforce. In fiscal year 2002, only 01.1 percent of Rural Development Veterans were female. In fiscal year 2005, eighty veterans were hired, 38.75 percent of those were women.

EXPIRATION DATE:
December 31, 2006

FILING INSTRUCTIONS:
Administrative/Other Programs

We should continue to make an effort to increase the number of female veterans. A good source for locating candidates for employment opportunities is the Department of Veterans Affairs website, <http://www1.va.gov/womenvet/>.

Congress has enacted many programs and appointing authorities in response to concerns expressed by individuals, as well as veterans' service organizations, that veterans were having difficulty competing for Federal jobs. When an agency accepts applications from outside its own workforce, the Veterans Employment Opportunities Act of 1998 (VEOA) allows veterans who have been honorably discharged from the armed forces after 3 or more years of active service to compete for these vacancies under merit promotion procedures.

In 1978 Congress created a special noncompetitive appointing authority for veterans with a 30 percent or more disability rating. An agency can give an eligible veteran a temporary appointment lasting 60 days or more, and convert the veteran at any time to a career conditional appointment. Please consider this authority as a way to appoint severely disabled veterans.

You can also appoint veterans non-competitively through the Veterans Recruitment Appointment (VRA). The following veterans are eligible:

- Disabled veterans;
- Veterans who served on active duty in the Armed Forces during a war, or in a campaign or expedition when a campaign badge has been authorized;
- Veterans who, while serving on active duty in the Armed Forces, participated in a United States military operation for which an Armed Forces Service Medal was awarded; and
- Recently separated veterans. ***Recently separated veteran means any veteran, including reservists***, during the three-year period beginning on the date of discharge or release from active duty.

VRA appointee's are eligible for excepted appointments up to grade GS-11 or equivalent. After a veteran successfully completes a 2-year trial period, you must convert the individual to a career conditional appointment. Selecting officials should be educated on the requirements of these special hiring authorities and their availability.

Rural Development's Mission Area Disabled Veterans Affirmative Action Program Plan (DVAAP) provides guidance on the specific goals and objectives the program was designed to achieve. A copy of the most current DVAAP plan is attached.

Specific information on any of the veterans' preference programs may be found in the VetGuide on <http://opm.gov/veterans/html/vetsinfo.pdf>, or you can call Norma Valdes, Human Resources Specialist, at (202) 692-0198 or via e-mail at norma.valdes@wdc.usda.gov for any additional information on the use of these authorities.

(Signed by Sherie Hinton Henry)

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

Attachment

Sent by electronic mail on 12/21/05 at 7:15am by Human Resources.
State Directors and National Office Officials should advise other personnel as appropriate.

RURAL DEVELOPMENT MISSION AREA DISABLED VETERANS AFFIRMATIVE ACTION PROGRAM PLAN

PURPOSE OF AUTHORITY

Pursuant to Section 403 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended (38 U.S.C. 2014), and Section 307 of the Civil Service Reform Act of 1978 (5 U.S.C. 3112), the Rural Development Mission Area is required to have an up-to-date affirmative action plan to promote employment and advancement opportunities for qualified disabled veterans.

PLAN COVERAGE

This plan covers Fiscal Year 2006.

POLICY

It is the policy of Rural Development to promote the employment, and advancement of opportunities for disabled veterans, especially those who are 30 percent or more disabled. Rural Development's Disabled Veterans Affirmative Action Program Plan (DVAAP) focuses attention on achieving equitable affirmative employment for disabled veterans of all races, national origins, and age groups in all agency occupations. The aim of DVAAP is to create a work environment which promotes and encourages the recruitment, retention, career development, and advancement of these individuals through reasonable accommodations and full accessibility.

PROGRAM LEADERSHIP AND RESPONSIBILITIES

To be effective, it is imperative that DVAAP receive full support at all levels throughout the Rural Development Mission Area.

- A. Rural Development Managers are aware of their obligations to inform and train their staffs regarding outreach for qualified individuals with disabilities.
- B. Rural Development mandates that managers and supervisors conduct proactive outreach, when vacancies occur, to organizations that serve disabled American veterans who have the skills and experience required to fill available vacancies.
- C. The Disability Employment Program Manager (DEPM) is responsible for the development, implementation, evaluation, and monitoring of the DVAAP Update and Accomplishment Reports. These responsibilities include, but are not limited to, carrying out actions in support of the program's objectives; providing guidance and assistance to managers,

- D. supervisors, and field components; distributing the DVAAP to appropriate parties; reviewing and analyzing veterans employment data; and preparing reports as required.
- E. State Directors are responsible for the success of the program in their respective states. Every State Office having employment authority should ensure that outreach activities are conducted to reach qualified disabled veterans.
- F. The three Agency Administrators and all managers and supervisors are responsible for providing equal employment opportunities for disabled veterans. Appropriate nondiscrimination policy statements issued by the Secretary have been disseminated to managers, supervisors, and employees through electronic mail.

PROGRAM ASSESSMENT

- A. Review of progress in implementing the national plan will be conducted by the Rural Development's Civil Rights Staff (CRS) in the National Office at the end of each fiscal year. This will include, but is not limited to, a review of the number of disabled veterans employed by each state annually.
- B. A continuing appraisal of the program will be made through our human resources management evaluation system which monitors and evaluates work force statistical data. We plan to provide more information to managers on what constitutes reasonable accommodations for persons with disabilities.
- C. Input for program plan implementation and evaluation is coordinated between Rural Development's Office of Human Resources and CRS. Various states have issued press releases and other media advisories to inform their respective communities about job opportunities and programs available for persons with disabilities.

RECRUITMENT

The objective of Rural Development's recruitment program is to attract highly qualified disabled candidates to meet staffing needs. To assist us in this goal we employ special recruitment efforts.

- A. **External Recruitment.** The external recruitment function involves seeking applications from disabled veterans. To accomplish this, we maintain contacts with vocational rehabilitation offices, state employment offices, veterans organizations, colleges, and other businesses to obtain applications from disabled veterans. Coordination with State Human Resources Managers is done to help with outreach activities when vacancies occur that allow for external recruitment.

Rural Development vacancy announcements include the following statement: “Qualified disabled veterans, especially those with 30 percent or more disabilities and Veteran Readjustment Appointment Eligibility, will be considered for this position under special hiring authorities.”

- B. **Internal Recruitment.** Rural Development takes steps to ensure that all employees, including disabled veterans, are made aware of employment opportunities and the competitive procedures that must be followed to be considered for a position under the career enhancement, intern, and merit promotion programs. Vacancy announcements for positions under the above programs are publicized electronically so all employees are aware of them. Rural Development’s internal vacancy announcements are required to be listed in USDA’s Recruitment Bulletin. This publication provides information in alternative formats if requested.
- C. **Special Appointing Authorities.** Staffing specialists, managers, and supervisors are made aware of the special appointment authorities available to hire disabled veterans. Rural Development Managers have used these authorities when opportunities occurred.
- D. **Special Events.** Rural Development participates in special events, e.g., veteran job fairs, employer seminars, conferences, etc., that promote awareness of the DVAAP.
- E. **Unpaid Training or Work Experience.** Disabled veterans may work for Rural Development while in training which is addressed under 30 U.S.C. Chapter 31 (Veterans Administration Vocational Rehabilitation). Subsequently, veterans may receive a noncompetitive appointment to a vacancy for which they qualify when training is completed.

MONITORING, REVIEW, AND EVALUATION

Rural Development monitors and reviews the employment and advancement of disabled veterans. We conduct a review to determine if there are any barriers that we need to remove to improve the employment and retention of disabled veterans. The Rural Development Mission Area is reviewing all employees’ official personnel folders to ensure that they have an accurate accounting of all veterans who are 30 percent or more disabled. We are confident that this will more accurately reflect our employment of disabled veterans.

RESOURCES

- A. Veterans Vocation Rehabilitation Offices.
- B. Office of Personnel Management Local Veterans Representatives for General Employment Inquiries.

- C. Office of Personnel Management Application – Job Ready Disabled Veterans Connection (JRDVC).
- D. Office of Personnel Management/Social Security Administration, Project Able Database Application.
- E. National Disabled Veterans Organizations

ACCESSIBILITY

Rural Development conducted a Section 504 Self-evaluation, which assessed how the Mission Area notifies the public about its nondiscrimination policies and what accommodations are available for individuals with disabilities.

PROGRAM COORDINATION

The name and title of the person assigned overall responsibilities for the development and implementation of this action plan is Regina M. Claiborne, Acting Director of the Civil Rights Staff. For further information, please call (202) 690-2181.

DISABLED VETERANS AFFIRMATIVE ACTION PROGRAM PLAN
Fiscal Year 2006 Certificate

This plan is prepared in accordance with 5 C.F.R. 720.305(b)(2), Section 403 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended (38 U.S.C. 2014), and Section 307 of the Civil Service Reform Act of 1978 (5 U.S.C. 3112).

Regina M. Claiborne, Acting Director of Civil Rights
Name and Title of Certifying Officer

Signature of Certifying Officer

Date

**Annual Disabled Veterans Affirmative Action Plan (DVAAP)
Plan Certification - - Fiscal Year 2005**

IDENTIFYING INFORMATION

A. Name and Address of Agency

Rural Development
Civil Rights Staff
1400 Independence Avenue, SW
Washington, DC 20250-0703

B. Name and Title of Designated DVAAP Official (include address, if different from above) Telephone and Fax number:

Regina M. Claiborne
Acting Director, Civil Rights Staff
(202) 690-2181
(202) 692-0276 (Fax)

C. Name and Title of the Contact Person (include address, if different from above) Telephone and Fax number:

Helen R. Cordero
Disability Employment Program Manager
(202) 692-0092
(202) 692-0121 (Fax)

CERTIFICATION: I certify that the above named agency (1) has a current DISABLED VETERANS AFFIRMATIVE ACTION PROGRAM (DVAAP) plan and the program is being implemented as required by 38 U.S.C. 4214, as amended, and appropriated regulations and guidance issued by the U. S. Office of Personnel; (2) that all field offices or installations having less than 500 employees are covered by a DVAAP plan; (3) that all field offices or installations having 500 or more employees are covered either by this plan or by a local plan; and (4) that such plans are available upon request from field offices or installations.

SIGNATURE _____ DATE _____

DISABLED VETERANS AFFIRMATIVE ACTION PROGRAM PLAN (DVAAP)
RURAL DEVELOPMENT FY 2005 ACCOMPLISHMENT REPORT
REPORT OF ACCOMPLISHMENTS

- § Rural Development continues to use a variety of recruitment sources such as the Internet, vocational rehabilitation offices, state employment offices, “one-stop” offices, veterans organizations, colleges, etc., as outreach and recruitment sources to employ veterans and disabled veterans for permanent, temporary, or summer employment. All Rural Development vacancy announcements and recruitment bulletins contain statements which encourage veterans to apply for vacancies.
- § One state hired an employee from a register during FY 2005 who is a 30% disabled veteran.
- § Another State Office also hired one disabled veteran in FY 2005.
- § One state has three disabled veterans on staff. They have contacted the Vocational Rehabilitation Director at the Veterans Administration and distributed vacancy announcements. Also they have contacted and met with the Army Career Alumni Program Manager and distributed vacancy announcements. They have also attended a Veteran Job Fair.
- § Rural Development has maintained its relationship with the Department of Defense (DOD) by empowering the DEPMs to continue their efforts with disabled veteran applicants, employment organizations, and rehabilitation counselors to identify and potentially hire qualified disabled veteran candidates.
- § Another state has five disabled veterans on staff. This state provides job announcements to various entities such as: Veterans Administration, Commission for the Blind, and The Disability Action Center. The State Director, Administrative Programs Direction and Human Resources Manager attended a job fair provided by historically Black Colleges and universities in South Carolina. They met with several disabled veterans who were attending these institutions of higher learning.
- § In another state, the vacancy announcements are sent to the Veterans Hospital for posting in a convenient, well-traveled area.
- § State recruitment representatives are advised to contact veteran employment services and rehabilitation services as part of their recruitment activities. This state has five veterans on board, two with disabilities.

- \$ Rural Development continues to maintain its customer service components by providing expertise for personnel related committees and panels (i.e., Selection Panels).
- \$ Rural Development continues to assess the effectiveness of recruitment and outreach efforts conducted by the Human Resources and Development (HRD) unit in their efforts to hire and retain qualified disabled veterans.

December 20, 2005

SUBJECT: Interest Rate for Direct Business
and Industry Loans

TO: Rural Development State Directors,
Rural Development Managers,
and Area Directors

The following interest rate is in effect January 1, 2006, through March 31, 2006.

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
Direct Business and Industry	6.500%	7.000%

Please notify appropriate personnel of this rate.

(Signed by Peter J. Thomas)

PETER THOMAS
Administrator
Business and Cooperative Programs

Sent by Electronic Mail on **12/21/05** at **8:10 a.m.** by PAD.

EXPIRATION DATE:
March 31, 2006

FILING INSTRUCTIONS:
Administrative/Other Programs

December 22, 2005

SUBJECT: Reviewing Affirmative Fair Housing Marketing Plans

TO: Rural Development State Directors

ATTN: Rural Housing Service Program Directors, State Civil Rights Managers and Coordinators, Administrative Program Directors, and Management Control Officers

Rural Development employees responsible for reviewing Affirmative Fair Housing Marketing Plans (AFHMPs) are being provided the attached checklists to ensure that AFHMPs are being reviewed during the initial submission of the loan/grant process and when a pre- and post-compliance review is conducted.

The Civil Rights Staff has developed checklists for the Multi-Family Housing (MFH) Program and for other programs that provide housing (Single Family Housing Packager, Self-Help Technical Assistance Grant Program, Community Facility Program, and Business and Cooperative Programs). The checklists provide guidance on how the form is to be completed and what attachments are needed to be considered complete. The checklist must be used each time an AFHMP is received and filed with the Agency copy of the AFHMP in the program's appropriate file position.

GUIDE 1: All Programs

- Groups least likely to apply (those identified in Section 3 of the HUD Form 935.2 "Affirmative Fair Housing Market Plan") must be targeted by the marketing efforts. Commercial Media used, Section 4a, should reach the targeted groups. Organizations representing targeted groups should be listed in Section 4c, Community Contacts.
- Rental Assistance (RA): When available, RA must be reflected in Section 1E, Rental Range. A zero (0) will be the first figure entered. The availability of RA must be included in pamphlets, brochures, newsletters, and public broadcasts.
- Applicants/borrowers must post the approved AFHMP in a conspicuous place where there is Agency's public access. A statement of public posting requirements will be included in the Agency's cover letter when the approved plan is returned to the applicant/borrower.

EXPIRATION DATE:
December 31, 2006

FILING INSTRUCTIONS:
Administrative/Other Programs

Guide 2: Self-Help Housing Technical Assistance Grant Program

Each Program Director will review the AFHMP for all active grantees under this program to ensure that the groups least likely to apply are being targeted by the marketing efforts. The AFHMP checklist (Housing other than MFH) must be completed as part of this review. Any deficiencies noted during the review are to be addressed with the grantee. If deficiencies are not corrected within a 30-day timeframe, the grantee must be placed in noncompliance and handled in accordance with RD Instruction 1901-E, 1901.204(d).

The original AFHMP checklist is to be filed with the Agency copy of the AFHMP. A copy of the checklist and AFHMP must be submitted to the State Civil Rights Manager or Coordinator for monitoring.

Employees are to begin the use of the AFHMP checklist for all programs providing housing that require AFHMP review/approval.

If you have any questions, please contact Carlton L. Lewis, Program Compliance Manager, Civil Rights Staff, at (202) 692-0097 (Voice), (202) 692-0107 (TDD), or Fax (202) 692-0008.

(Signed by Sherie Hinton Henry)

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

Attachment

Sent by electronic mail on 01-26-06 at 10:00 a.m. by CRS.
Rural Development State Directors and National Office Officials should advise other personnel as appropriate.

CHECK LIST FOR AFFIRMATIVE FAIR HOUSING MARKETING PLANS (MFH)

- _____ 1a Borrower's name, address, and telephone number completed.
- _____ 1b Project name and address completed.
- _____ 1c Project number completed.
- _____ 1d Number of units completed.
- _____ 1e Range completed. In cases where there is rental assistance, the lowest rate should be \$0 and the highest rent (in all cases) should be the established note rent.
- _____ 1f The box should be checked elderly or non-elderly. The former "mixed" designation is considered non-elderly.
- _____ 1g This does not have to be completed for existing projects, only new/proposed.
- _____ 1h Marketing area for the facility (established at time of application/by market survey).
- _____ 1i The census tract(s) should be indicated and the census data sheet(s) showing breakdown by race/ethnicity should be attached.
- _____ 1j Must have Managing Agent's Name & address (including city, State and zip code).
- _____ 2 The "Project Plan" box should be checked for MFH projects, new or updated plan.
- _____ 3 The boxes checked should correspond with the race of the population indicated by the census data. In other words, if the census data reflects 1percent American Indian, 1 percent black and 98 percent white, the boxes for American Indian and Black should be checked as those groups least likely to apply and used for outreach/community contacts. Persons with disabilities should always be checked for all projects.
- _____ 4a In most cases, only the Newspaper/Publication box will be checked. All projects are required to have a printed or electronic media advertisement as least once a year. Each Plan should have at least one newspaper or electronic media (including Web site address) listed.

Group Identification - race/ethnic percentage should be completed, or show "All" if it serves all groups. The size/duration of the ad should be listed. (ex. 2"x 4", one minute spot, three times a month). The duration should be listed and must be at least annually. A full tear sheet of newspaper ad should be attached. If there is a clear copy that shows the publication name and date, we will accept. If radio or television is used for advertising, copy of information read or shown must be attached.
- _____ 4b If they have indicated that brochures, letters, or handouts will be used, they should be attached.

The project sign should show the feet and inches measurements (minimum of 16 square feet). The logo-type size is also to be completed. The logo size must be 3-5 percent of the total sign area. A photograph of the sign must be included. All signs must have the management phone number, TDD phone number, if the project has a number or State relay number is optional, Equal Housing Opportunity logo (house and Equal Housing Opportunity under it) and the accessible logo.

HUD's Fair Housing Poster must be posted. The Sales/Rental Office or Other, common area should be specified.

NOTE: All newspaper ads, radio and TV ads, Web site ads/information letters, brochures, Newsletters, printed information must include the Equal Housing Opportunity logo or statement, TDD phone number, if the project has a number, State relay is optional, and accessible logo or statement. If a project is designated elderly, the information given should read "62 years of age or older, handicap/disabled, regardless of age." In addition, to meet USDA Rural Development Public Notification requirements, the nondiscrimination statement must be included. If the space is limited, such as on letterhead, the short version may be used. Where space is available, the full nondiscrimination statement must be included (ex. Brochures)

- _____ 4c Community Contacts are to be listed. The community contacts listed should represent those least likely to apply in section 3. In addition, groups associated with the project type, elderly or family should be included and at least one disability group must be included. For group identification, race/ethnic code should be completed or state "All" if all groups served. The approximate date of contact should be listed and must be done yearly. The contact person must be listed along with a complete address and phone number. The "Method of Contact" must be completed. If contact is by letter, a copy of the outreach letter being used must be attached. If contact is by phone or personal visit, then a log must be kept showing date of visit, who was contacted, what was discussed and copy submitted with the plan, filed in marketing file. Function the Group/Organization will undertake in implementing the marketing program must be completed (ex. Provide applications to clients)

NOTE: Churches can be a good contact source for reaching race/ethnic groups. However, churches should not be the only community contacts. Community contacts should include organizations representing those groups least likely to apply in section 3.

- _____ 5 Future marketing activities, boxes should be checked and at least the project sign, newspaper, and community contacts.

- _____ 6ab Experience. Must be checked yes or no. As required by 7 CFR Part 3560, evidence of Fair Housing and Section 504 of the Rehabilitation Act training must be attached. If there are other site employees such as maintenance person or caretaker, how they will be trained should be indicated and a copy of any internal Fair Housing/Section 504 training instructions to the staff attached.

- _____ 7 Complete as needed.

- _____ 8 The plan must be signed and dated (Please note that while Rural Development has incorporated the use of the HUD Form 935.2, our regulations require the plan be reviewed by the borrower every **three** years as part of the Supervisory Visit/Compliance Review, and updated as needed or when components of the plan change).

NOTE TO EMPLOYEES: Plans submitted to the Agency for approval must be signed by the State Director or employee who has been delegated authority to sign. The State Civil Rights Coordinator/Manager should be contacted with any questions/concerns prior to approval. Plans submitted for approval must include all information/attachments required. The approving official will not approve plans "subject to" conditions. Example: If the newspaper ad does not meet Agency requirements of Fair Housing, accessibility logo, etc; notify the borrower that a new ad must be run meeting the requirements and submitted for attachment to the plan so approval can be completed.

SPECIAL NOTES:

Written materials such as newspaper ads, brochures, newsletters, outreach letters, and Web sites should be reviewed for content. Statements such as independent living, ideal for couples, adult living, and pictures using persons should not be used. These types of statements/photos can all be discriminatory in nature. The nondiscrimination statement must be included in all written materials and electronic media. **CALL THE SCRC/M IF YOU HAVE QUESTIONS.**

CHECK LIST FOR AFFIRMATIVE FAIR HOUSING MARKETING PLANS (Housing, other than MFH)

- _____ 1a Borrower/Applicant name, address, and telephone number completed.
- _____ 1b Project name, location, if applicable.
- _____ 1c Project number/Application Number completed, as applicable.
- _____ 1d Number of units (or anticipated, for new applicant) completed.
- _____ 1e Price or Rental Range completed. In cases where there is rental assistance, the lowest rate should be \$0 and the highest rent (in all cases) should be the established market rent.
- _____ 1f Only completed for MFH.
- _____ 1g This does not have to be completed for existing projects, only new/proposed.
- _____ 1h Marketing area for the facility (established at time of application/by market survey or fact sheet).
- _____ 1i The census tract(s) should be indicated, and the census data sheet(s) showing breakdown by race/ethnicity/gender should be attached.
- _____ 1j Must have Managing Agent's name and address (including city, State, and zip code), if applicable.
- _____ 2 The "Project Plan" box should be checked for group housing projects, new or updated plan. "SFH Plan" should be checked for SFH Self Help, SFH Packagers, HPG.
- _____ 3 The boxes checked should correspond with the race of the population indicated by the census data. In other words, if the census data reflects 1 percent American Indian, 1 percent black and 98 percent white, the boxes for American Indian and Black should be checked as those groups least likely to apply and used for outreach/community contacts. Persons with disabilities should always be checked for all plans.
- _____ 4a In most cases, only the Newspaper/Publication box will be checked. All recipients are required to have a printed or electronic media advertisement and should be advertising yearly. Each Plan should have at least one newspaper or electronic media (including Web site address) listed.

Group Identification - race/ethnic percentage should be completed, or show "All" if it serves all groups. The size/duration of the ad should be listed. (ex. 2"x 4", one minute spot, three times a month). The duration should be listed and should be at least annually. This would allow for any program/funding changes to be announced/published. A full tear sheet of newspaper ad should be attached. If there is a clear copy that shows the publication name and date, we will accept. If radio or television is used for advertising,

copy of information read or shown must be attached.

- _____ 4b If they have indicated that brochures, letters, or handouts will be used, they should be attached.

The project sign, if required, should show the feet and inches measurements. The logo-type size is also to be completed. The logo size must be 3-5 percent of the total sign area. A photograph of the sign must be included. All signs must have the management phone number, TDD phone number, if the project has a number or State relay number is optional, Equal Housing Opportunity logo (house and Equal Housing Opportunity under it) and the accessible logo.

HUD's Fair Housing Poster must be posted. The Sales/Rental Office or Other, common area should be specified.

NOTE: All newspaper ads, radio and TV ads, Web site ads/information letters, brochures, Newsletters, and printed information must include the Equal Housing Opportunity logo or statement, TDD phone number, if the project has a number, state relay is optional, and accessible logo or statement. In addition, to meet USDA Rural Development Public Notification requirements, the nondiscrimination statement must be included. If the space is limited, such as on letterhead, the short version may be used. Where space is available, the full nondiscrimination statement must be included (ex. Brochures)

- _____ 4c Community contacts are to be listed. The community contacts listed should represent those least likely to apply in section 3. In addition, groups associated with the project type, elderly, family and, disabled, should be included and at least one disability group must be included. For group identification, race/ethnic code should be completed or state "All" if all groups served. The approximate date of contact should be listed and should be done yearly. The contact person must be listed along with a complete address and phone number. The "Method of Contact" must be completed. If contact is by letter, a copy of the outreach letter being used must be attached. If contact is by phone or personal visit, then a log must be kept showing date of visit, who was contacted, what was discussed and copy submitted with the plan, filed in marketing file. Function the Group/Organization will undertake in implementing the marketing program must be completed (ex. Provide applications to clients).

NOTE: Churches can be a good contact source for reaching race/ethnic groups. However, churches should not be the only community contacts. Community contacts should include organizations representing those groups least likely to apply in section 3.

- _____ 5 Only completed for MFH.

- _____ 6ab Experience. Must be checked yes or no. If there are other site employees such as maintenance person or caretaker, how they will be trained should be indicated and a copy of any internal Fair Housing/Section 504 training instructions to the staff attached.

- _____ 7 Complete as needed.

- _____ 8 The plan must be signed and dated (Please note that while Rural Development has incorporated the use of the HUD Form 935.2, the compliance review process requires the plan be reviewed/updated every **three** years as part of the Security Inspection/Compliance Review).

NOTE TO EMPLOYEES: Plans submitted to the Agency for approval must be signed by the State Director or employee who has been delegated authority to sign. The State Civil Rights Coordinator/Manager should be contacted with any questions/concerns prior to approval. Plans submitted for approval must include all information/attachments required. The approving official will not approve plans "subject to" conditions. Example: If the newspaper ad does not meet Agency requirements of Fair Housing, accessibility logo, etc; notify the borrower that a new ad must be run meeting the requirements and submitted for attachment to the plan so approval can be completed.

SPECIAL NOTES:

Written materials such as newspaper ads, brochures, newsletters, outreach letters, and Web sites should be reviewed for content. Statements such as independent living, ideal for couples, adult living, and pictures using persons should not be used. These types of statements/photos can all be discriminatory in nature. The nondiscrimination statement must be included in all written materials and electronic media. **CALL THE SCRC/M IF YOU HAVE QUESTIONS.**

December 28, 2005

SUBJECT: Personal Telephone Calls During Official Travel

TO: All Rural Development Employees

Rural Development Instruction 2036-A, "Travel Regulations and Policies," and Departmental Regulation 2300-003, "Authorized Telephone Calls of a Personal Nature During Official Travel," provide information and guidance for employees concerning reimbursement of telephone calls of a personal nature during official travel.

The maximum aggregated amount that may be approved for each travel period cannot exceed an amount equal to \$5.00 multiplied by the number of lodging nights. The aggregated amount includes access charges and fees for calls that were not able to be completed.

There is a difference between personal telephone calls that were not able to be completed and calls not made. Employees cannot submit claims for reimbursement of personal telephone calls that were not made, because they are not automatically entitled to the reimbursement.

A Government purchase card can be used to purchase pre-paid calling cards for use on official travel. If employees purchase a pre-paid calling card for an amount equal to or in increments of the \$5.00 per night aggregated amount, and the card has any remaining minutes on it, they should submit a claim for reimbursement for the cost of the pre-paid calling card on their travel voucher (form AD-616) and return the unused portion of the card to their Special Approving Official. The Special Approving Official should re-issue the card with the remaining telephone minutes to another employee when needed. When the pre-paid calling card is re-issued to an employee for authorized travel, a written notation on the employee's travel authorization (form AD-202) should indicate the amount remaining on the card.

EXPIRATION DATE:
December 31, 2006

FILING INSTRUCTIONS:
Administrative/Other Programs

When submitting claims for reimbursement of personal telephone calls, the employee will be required to self-certify that the use of the Government telephone system was not practical and that commercial calls were made in accordance with Rural Development and Departmental Regulations. Approving Officials will determine the form of the self-certification, e.g., written statement on AD-616.

If you have any questions, please contact one of the Travel Unit staff: Veronica Carroll, (202) 692-0229, Irene Wofford, (202) 692-0030 or Tony Pearson, (202) 692-0227. You may also e-mail the Travel Unit mailbox at: ssd.travel@wdc.usda.gov.

(Signed by John M. Purcell) for

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

Sent by electronic mail on **01/04/06** at **2:05 p.m.** by SSD.

December 29, 2005

SUBJECT: New Years

TO: All Rural Development Employees

I have not been informed by the Secretary that he plans to release United States Department of Agriculture employees early on Friday, **December 30, 2005**. Therefore, it is to be treated as a regular workday for Rural Development employees. Should the Secretary decide to release employees early, we will notify you as soon as we receive notification.

I wish you all a happy and safe New Years. Each of you, through your work, has ensured that rural Americans will have a quality of life that enables them to celebrate the New Year.

If you have any questions or concerns, please contact Norma Valdes at (202) 692-0198 or via e-mail at norma.valdes@wdc.usda.gov.

Thomas C. Dorr

THOMAS C. DORR
Under Secretary
Rural Development

EXPIRATION DATE:
December 31, 2005

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by electronic mail on 12/29/05 at 12:25 pm by Human Resources. State Directors and National Office Officials should advise other personnel as appropriate.